

State of Arizona  
House of Representatives  
Fifty-second Legislature  
Second Regular Session  
2016

# HOUSE BILL 2613

## AN ACT

AMENDING SECTIONS 3-449, 3-466, 3-492, 3-496, 3-521, 32-101, 32-102, 32-103, 32-122 AND 32-122.01, ARIZONA REVISED STATUTES; AMENDING TITLE 32, CHAPTER 1, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 32-132; AMENDING SECTIONS 32-142, 32-144, 32-1301, 32-1394.01 AND 32-2352, ARIZONA REVISED STATUTES; REPEALING SECTION 32-2372, ARIZONA REVISED STATUTES; AMENDING SECTIONS 32-2373, 32-2374 AND 32-2391, ARIZONA REVISED STATUTES; AMENDING SECTION 32-3021, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2011, CHAPTER 141, SECTION 1; AMENDING SECTION 32-3021, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015, CHAPTER 262, SECTION 20; AMENDING SECTIONS 41-619.51, 41-1758, 41-1758.01, 41-2571 AND 42-5075, ARIZONA REVISED STATUTES; RELATING TO REGULATORY LICENSING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 3-449, Arizona Revised Statutes, is amended to  
3 read:

4 3-449. Annual licensing; fees; application; penalty

5 A. ~~No~~ A person ~~shall~~ MAY NOT transact business as a citrus fruit  
6 dealer, ~~packer~~ or shipper without first obtaining a license as provided in  
7 this article. The license expires on August 1 of each year and is renewable  
8 annually. The license fee shall be determined according to the annual gross  
9 sales based on the dealer's or shipper's previous fiscal year as follows:

10 1. If the annual gross sales are five hundred thousand dollars or  
11 more, the annual fee is four hundred fifty dollars.

12 2. If the annual gross sales are between two hundred thousand dollars  
13 and five hundred thousand dollars, the annual fee is three hundred dollars.

14 3. If the annual gross sales are two hundred thousand dollars or less,  
15 the annual fee is one hundred fifty dollars.

16 4. If the person was not in business the previous fiscal year, the  
17 annual fee is one hundred fifty dollars.

18 ~~B. The application for a packer license shall be filed with the~~  
19 ~~supervisor and be accompanied by an annual license fee of one hundred fifty~~  
20 ~~dollars.~~

21 ~~C.~~ B. If a person engages in business in more than one category as a  
22 dealer, ~~OR~~ shipper ~~or packer~~, the license designation shall be based on the  
23 category in which most of the licensee's business is conducted.

24 ~~D.~~ C. The license fees collected by the supervisor shall be paid into  
25 the citrus, fruit and vegetable trust fund.

26 ~~E.~~ D. The application for a dealer, ~~OR~~ shipper ~~or packer~~ license  
27 shall contain the following information:

28 1. The full name of the person applying for the license.

29 2. Whether the applicant is an individual, partnership, firm,  
30 corporation, association, trust or cooperative association and the full name  
31 of each member of the partnership or firm, the full name of each officer and  
32 director of the association or corporation or the full name of each trustee.

33 3. The principal business address of the applicant in this state and  
34 elsewhere and the address where the applicant conducts the described  
35 business.

36 4. The name of the statutory agent in this state for service of legal  
37 notice.

38 5. The category of license for which the applicant is applying.

39 6. A statement of the facts, signed under penalty of perjury,  
40 entitling the applicant to a license under the applicable category and  
41 stating whether the applicant has ever had any license to handle citrus,  
42 fruit or vegetables in any state denied, suspended or revoked.

43 7. If the applicant acts as a commission merchant, a schedule of  
44 commissions and charges for services, which may not be altered during the  
45 term of the license except by written agreement between the parties involved.

1       ~~F.~~ E. The supervisor shall issue to the applicant a license to  
2 conduct the business described for a period of one year unless it is revoked  
3 for cause.

4       ~~G.~~ F. An applicant who tenders a renewal application for a license  
5 that is received by the supervisor after August 15 shall pay a penalty of  
6 twenty-five dollars. An applicant who tenders a renewal application for a  
7 license that is received after September 1 shall pay a penalty of fifty  
8 dollars. All penalties shall be deposited in the citrus, fruit and vegetable  
9 trust fund.

10       Sec. 2. Section 3-466, Arizona Revised Statutes, is amended to read:

11       3-466. Civil penalties; hearing

12       A. A person is subject to a civil penalty of not more than five  
13 hundred dollars~~;~~ if the person does either of the following:

- 14       1. Acts as a dealer~~;~~ OR shipper ~~or packer~~ without a valid license.  
15       2. Knowingly falsifies or causes to be falsified information in a  
16 record intended to show proof of ownership.

17       B. A person shall be subject to a civil penalty of not more than three  
18 hundred dollars~~;~~ if the person does any of the following:

- 19       1. Makes a written or oral false, deceptive or misleading  
20 representation or assertion concerning the quality, size, maturity or  
21 condition of citrus fruit.  
22       2. Alters, removes or destroys a warning notice from a lot or part of  
23 a lot to which it was affixed except on written authorization of an  
24 inspector, the supervisor or the director or by court order.  
25       3. Alters a notice of noncompliance, notice of compliance or notice of  
26 disposal that is issued by an inspector.  
27       4. Refuses to submit any container or lot of citrus fruit governed  
28 pursuant to this article to an inspection of a representative sample or to  
29 refuse to stop and permit inspection of a representative sample of any  
30 commercial vehicle containing citrus fruit governed pursuant to this article.

31       C. A commission merchant is subject to a civil penalty of not more  
32 than five hundred dollars~~;~~ if the commission merchant does any of the  
33 following:

- 34       1. Knowingly makes a false or misleading statement as to the condition  
35 of any citrus fruit.  
36       2. Makes a fraudulent charge or return for handling or selling citrus  
37 fruit or for rendering any service in connection with handling or selling  
38 citrus fruit.  
39       3. Reconsigns a consignment to receive, collect or charge more than  
40 one commission without the consent of the consignor.  
41       4. Sells citrus fruit at less than market price to a person with whom  
42 the consignment merchant has a direct or indirect financial connection.  
43       5. Makes a sale and directly or indirectly receives a portion of the  
44 purchase price other than the commission specified in the contract.

1 D. A person who is charged with violating this article or rules  
2 adopted pursuant to this article may request a hearing pursuant to title 41,  
3 chapter 6, article 10.

4 E. Civil penalties collected pursuant to this section shall be  
5 deposited in the citrus, fruit and vegetable trust fund.

6 Sec. 3. Section 3-492, Arizona Revised Statutes, is amended to read:

7 3-492. Licensing dealers and shippers; application; fees;  
8 penalty

9 A. ~~No~~ A person ~~shall~~ MAY NOT act as a dealer or shipper without first  
10 obtaining a license as provided in this article. Application for the license  
11 shall be filed with the supervisor and accompanied by a license fee  
12 determined according to the annual gross sales based on the dealer's or  
13 shipper's previous fiscal year as follows:

14 1. If the annual gross sales are five hundred thousand dollars or  
15 more, the annual fee is five hundred dollars.

16 2. If the annual gross sales are between two hundred thousand dollars  
17 and five hundred thousand dollars, the annual fee is three hundred fifty  
18 dollars.

19 3. If the annual gross sales are two hundred thousand dollars or less,  
20 the annual fee is two hundred dollars.

21 4. If the person was not in business the previous fiscal year, the  
22 annual fee is two hundred dollars.

23 ~~B. A person may not act as a packer without first obtaining a license~~  
24 ~~as provided in this article. The application for a packer license shall be~~  
25 ~~filed with the supervisor and accompanied by an annual license fee of two~~  
26 ~~hundred dollars.~~

27 ~~C.~~ B. If a person engages in business in more than one category as a  
28 dealer, ~~OR~~ shipper ~~or packer~~, the license designation shall be based on the  
29 category in which most of the licensee's business is conducted.

30 ~~D.~~ C. The monies received as license fees under this section shall be  
31 paid into the citrus, fruit and vegetable trust fund. The license shall  
32 expire on September 1 of each year and is renewable annually.

33 ~~E.~~ D. The application for a dealer, ~~OR~~ shipper ~~or packer~~ license  
34 shall contain the following information:

35 1. The full name of the person applying for the license.

36 2. Whether the applicant is an individual, partnership, firm,  
37 corporation, association, trust or cooperative association and the full name  
38 of each member of the partnership or firm, the full name of each officer and  
39 director of the association or corporation or the full name of each trustee.

40 3. The principal business address of the applicant in this state and  
41 elsewhere and the address where the applicant conducts the described  
42 business.

43 4. The name of the statutory agent in this state for service of legal  
44 notice.

45 5. The category of license for which the applicant is applying.

1           6. A statement of the facts, signed under penalty of perjury,  
2           entitling the applicant to a license under the applicable category and  
3           stating whether the applicant has ever had any license to handle citrus,  
4           fruit or vegetables in any state denied, suspended or revoked.

5           7. If the applicant acts as a commission merchant, a schedule of  
6           commissions and charges for services, which may not be altered during the  
7           term of the license except by written agreement between the parties involved.

8           ~~F.~~ E. The supervisor shall issue to the applicant a license to  
9           conduct the business described for a period of one year unless it is revoked  
10          for cause.

11          ~~G.~~ F. An applicant who tenders a renewal application for a license  
12          that is received by the supervisor after September 15 shall pay a penalty of  
13          twenty-five dollars. An applicant who tenders a renewal application for a  
14          license that is received after October 1 shall pay a penalty of fifty  
15          dollars. All penalties shall be deposited in the citrus, fruit and vegetable  
16          trust fund.

17          Sec. 4. Section 3-496, Arizona Revised Statutes, is amended to read:  
18          3-496. List of licensees; display of license

19          A. The supervisor may publish a pamphlet containing a list of all  
20          licensed dealers, ~~AND~~ shippers ~~and packers~~ and the rules pertaining to the  
21          enforcement of this article.

22          B. Each licensed dealer, ~~AND~~ shipper ~~and packer~~ shall keep the  
23          license in ~~his~~ THE DEALER'S OR SHIPPER'S office or at ~~his~~ THE DEALER'S OR  
24          SHIPPER'S principal place of business.

25          Sec. 5. Section 3-521, Arizona Revised Statutes, is amended to read:  
26          3-521. Civil penalties; hearing

27          A. A person is subject to a civil penalty of not more than five  
28          hundred dollars, ~~if~~ the person does either of the following:

- 29               1. Acts as a dealer, ~~OR~~ shipper ~~or packer~~ without a valid license.  
30               2. Knowingly falsifies or causes to be falsified information in a  
31               record intended to show proof of ownership.

32          B. A person shall be subject to a civil penalty of not more than three  
33          hundred dollars, ~~if~~ the person does any of the following:

- 34               1. Makes a written or oral false, deceptive or misleading  
35               representation or assertion concerning the quality, size, maturity or  
36               condition of fruit or vegetables.

- 37               2. Alters, removes or destroys a warning notice from a lot or part of  
38               a lot to which it was affixed except on written authorization of an  
39               inspector, the supervisor or the director or by court order.

- 40               3. Alters a notice of noncompliance, notice of compliance or notice of  
41               disposal that is issued by an inspector.

- 42               4. Refuses to submit any container or lot of fruit or vegetables  
43               governed by this article to an inspection of a representative sample or  
44               refuses to stop and permit inspection of a representative sample of any  
45               commercial vehicle containing fruit and vegetables governed by this article.

1 C. A commission merchant is subject to a civil penalty of not more  
2 than five hundred dollars, ~~if~~ if the commission merchant does any of the  
3 following:

4 1. Knowingly makes a false or misleading statement as to the condition  
5 of any fruit or vegetable.

6 2. Makes a fraudulent charge or return for handling or selling a fruit  
7 or vegetable or for rendering any service in connection with handling or  
8 selling a fruit or vegetable.

9 3. Reconsigns a consignment to receive, collect or charge more than  
10 one commission without the consent of the consignor.

11 4. Sells a fruit or vegetable at less than market price to a person  
12 with whom the consignment merchant has a direct or indirect financial  
13 connection.

14 5. Makes a sale and directly or indirectly receives a portion of the  
15 purchase price other than the commission specified in the contract.

16 D. A person who is charged with violating this article or rules  
17 adopted pursuant to this article may request a hearing before an  
18 administrative law judge pursuant to title 41, chapter 6, article 10. The  
19 decision of the administrative law judge is subject to review by the director  
20 as provided by title 41, chapter 6, article 10.

21 E. Civil penalties collected pursuant to this section shall be  
22 deposited in the citrus, fruit and vegetable trust fund.

23 Sec. 6. Heading change

24 The chapter heading of title 32, chapter 1, Arizona Revised Statutes,  
25 is changed from "ARCHITECTS, ASSAYERS, ENGINEERS, GEOLOGISTS, HOME  
26 INSPECTORS, LANDSCAPE ARCHITECTS AND SURVEYORS" to "ARCHITECTS, ENGINEERS,  
27 GEOLOGISTS, HOME INSPECTORS, LANDSCAPE ARCHITECTS AND SURVEYORS".

28 Sec. 7. Section 32-101, Arizona Revised Statutes, is amended to read:

29 32-101. Purpose; definitions

30 A. The purpose of this chapter is to provide for the safety, health  
31 and welfare of the public through the promulgation and enforcement of  
32 standards of qualification for those individuals WHO ARE registered or  
33 certified and seeking registration or certification pursuant to this chapter.

34 B. In this chapter, unless the context otherwise requires:

35 1. "Advertising" includes business cards, signs or letterhead provided  
36 by a person to the public.

37 2. "Alarm" or "alarm system":

38 (a) Means any mechanical or electrical device that is designed to emit  
39 an audible alarm or transmit a signal or message if activated and that is  
40 used to detect an unauthorized entry into a building or other facility or  
41 alert other persons of the occurrence of a medical emergency or the  
42 commission of an unlawful act against a person or in a building or other  
43 facility.

1 (b) Includes a silent, panic, holdup, robbery, duress, burglary,  
2 medical alert or proprietor alarm that requires emergency personnel to  
3 respond.

4 (c) Does not include a telephone call diverter or a system that is  
5 designed to report environmental and other occurrences and that is not  
6 designed or used to alert or cause other persons to alert public safety  
7 personnel.

8 3. "Alarm agent":

9 (a) Means a person, whether an employee, an independent contractor or  
10 otherwise, who acts on behalf of an alarm business and who tests, maintains,  
11 services, repairs, sells, rents, leases or installs alarm systems.

12 (b) Does not include any action by a person that:

13 (i) Is performed in connection with an alarm system located on the  
14 person's own property or the property of the person's employer.

15 (ii) Is acting on behalf of an alarm business whose work duties do not  
16 include visiting the location where an alarm system installation occurs.

17 4. "Alarm business":

18 (a) Means any person who, either alone or through a third party,  
19 engages in the business of either of the following:

20 (i) Providing alarm monitoring services.

21 (ii) Selling, leasing, renting, maintaining, repairing or installing a  
22 nonproprietor alarm system or service.

23 (b) Does not include any of the following:

24 (i) A person or company that purchases, rents or uses an alarm that is  
25 affixed to a motor vehicle.

26 (ii) A person who owns or conducts a business of selling, leasing,  
27 renting, installing, maintaining or monitoring an alarm that is affixed to a  
28 motor vehicle.

29 (iii) A person who installs a nonmonitored proprietor alarm for a  
30 business that the person owns, is employed by or manages.

31 (iv) The installation or monitoring of fire alarm systems.

32 (v) An alarm system that is operated by a city or town.

33 5. "Alarm subscriber" means any person who:

34 (a) Leases, rents or purchases any monitored alarm system or service  
35 from an alarm business.

36 (b) Leases or rents an alarm system.

37 (c) Contracts with an alarm business for alarm monitoring,  
38 installation, repair or maintenance services.

39 6. "Architect" means a person who, by reason of knowledge of the  
40 mathematical and physical sciences and the principles of architecture and  
41 architectural engineering acquired by professional education and practical  
42 experience, is qualified to engage in the practice of architecture as  
43 attested by registration as an architect.

44 7. "Architect-in-training" means a candidate for registration as a  
45 professional architect who is a graduate of a school approved by the board or

1 who has five years or more of education or experience, or both, in  
2 architectural work ~~which~~ THAT meets standards specified by the board in its  
3 rules. In addition, the candidate shall have passed the architect-in-training  
4 examination.

5 8. "Architectural practice" means any professional service or creative  
6 work requiring architectural education, training and experience, and the  
7 application of the mathematical and physical sciences and the principles of  
8 architecture and architectural engineering to such professional services or  
9 creative work as consultation, evaluation, design and review of construction  
10 for conformance with contract documents and design, in connection with any  
11 building, planning or site development. A person shall be deemed to practice  
12 or offer to practice architecture who in any manner represents that the  
13 person is an architect, ~~or is able to perform any architectural service or~~  
14 ~~other services recognized by educational authorities as architecture.~~

15 ~~9. "Assayer" means a person who analyzes metals, ores, minerals, or~~  
16 ~~alloys in order to ascertain the quantity of gold or silver or any other~~  
17 ~~substance present in them. A person employed on a full-time basis as an~~  
18 ~~assayer by an employer engaged in the business of developing, mining or~~  
19 ~~treating ores or other minerals shall not be deemed to be engaged in assaying~~  
20 ~~practice for the purposes of this chapter if the person engages in assaying~~  
21 ~~practice exclusively for and as an employee of such employer and does not~~  
22 ~~represent that the person is available and is not represented as being~~  
23 ~~available to perform any assaying services for anyone other than the person's~~  
24 ~~employer.~~

25 ~~10. "Assayer in training" means a candidate for registration as a~~  
26 ~~professional assayer who is a graduate of a school and curriculum approved by~~  
27 ~~the board or who has four years or more of education or experience, or both,~~  
28 ~~in assaying work which meets standards specified by the board in its rules.~~  
29 ~~In addition, the candidate shall have passed the assayer in training~~  
30 ~~examination.~~

31 ~~11. "Assaying practice" means any professional service or work~~  
32 ~~requiring assaying education, training and experience and the application of~~  
33 ~~special knowledge of the mineral sciences to such service or work as~~  
34 ~~consultation and the evaluation of minerals. A person is deemed to practice~~  
35 ~~or offer to practice assaying who in any manner represents that the person is~~  
36 ~~an assayer or is able to perform any assaying service or other services~~  
37 ~~recognized by educational authorities as assaying.~~

38 ~~12.~~ 9. "Board" means the state board of technical registration.

39 ~~13.~~ 10. "Certified remediation specialist" means a person who has been  
40 certified by the board to perform, supervise and review environmental  
41 remediations if the use of a certified remediation specialist is specifically  
42 authorized by title 49 and rules adopted pursuant to title 49.

43 ~~14.~~ 11. "Controlling person":

44 (a) Means a person who is designated by an alarm business.

45 (b) Does not include an alarm agent.



1       ~~15-~~ 12. "Drug laboratory site remediation firm" means a firm that is  
2 licensed by the registrar of contractors pursuant to chapter 10 of this title  
3 and that performs remediation of residual contamination from the manufacture  
4 of methamphetamine, ecstasy or LSD or the storage of chemicals or equipment  
5 used in manufacturing methamphetamine, ecstasy or LSD. For the purposes of  
6 this paragraph:

7       (a) "Ecstasy" has the same meaning prescribed in section 13-3401,  
8 paragraph 6 and includes any of the precursor chemicals, regulated chemicals,  
9 other substances or equipment used in the unlawful manufacture of the  
10 dangerous drug.

11       (b) "LSD" has the same meaning prescribed in section 13-3401,  
12 paragraph 6 and includes any of the precursor chemicals, regulated chemicals,  
13 other substances or equipment used in the unlawful manufacture of the  
14 dangerous drug.

15       (c) "Methamphetamine" has the same meaning prescribed in section  
16 13-3401, paragraph 6 and includes any of the precursor chemicals, regulated  
17 chemicals, other substances or equipment used in the unlawful manufacture of  
18 the dangerous drug.

19       ~~16-~~ 13. "Engineer" means a person who, by reason of special knowledge  
20 of the mathematical and physical sciences and the principles and methods of  
21 engineering analysis and design acquired by professional education and  
22 practical experience, is qualified to practice engineering as attested by  
23 registration as a professional engineer.

24       ~~17-~~ 14. "Engineering practice" means any professional service or  
25 creative work requiring engineering education, training and experience and  
26 the application of special knowledge of the mathematical, physical and  
27 engineering sciences to such professional services or creative work as  
28 consultation, research investigation, evaluation, planning, surveying as  
29 defined in paragraph ~~27~~ 24, subdivisions (d) and (e) of this subsection,  
30 design, location, development, and review of construction for conformance  
31 with contract documents and design, in connection with any public or private  
32 utility, structure, building, machine, equipment, process, work or project.  
33 Such services and work include plans and designs relating to the location,  
34 development, mining and treatment of ore and other minerals. A person shall  
35 be deemed to be practicing or offering to practice engineering if the person  
36 practices any branch of the profession of engineering, or by verbal claim,  
37 sign, advertisement, letterhead, card or any other manner represents that the  
38 person is a professional engineer, or is able to perform or does perform any  
39 engineering service or other service recognized by educational authorities as  
40 engineering. A person employed on a full-time basis as an engineer by an  
41 employer engaged in the business of developing, mining and treating ores and  
42 other minerals shall not be deemed to be practicing engineering for the  
43 purposes of this chapter if the person engages in the practice of engineering  
44 exclusively for and as an employee of such employer and does not represent  
45 that the person is available and is not represented as being available to

1 perform any engineering services for persons other than the person's  
2 employer.

3 ~~18-~~ 15. "Engineer-in-training" means a candidate for registration as a  
4 professional engineer who is a graduate in an approved engineering curriculum  
5 of four years or more of a school approved by the board or who has ~~had~~ four  
6 years or more of education or experience, or both, in engineering work ~~which~~  
7 ~~THAT~~ meets standards specified by the board in its rules. In addition, the  
8 candidate shall have passed the engineer-in-training examination.

9 ~~19-~~ 16. "Firm" means any individual or partnership, corporation or  
10 other type of association, including the association of a nonregistrant and a  
11 registrant who offers to the public professional services regulated by the  
12 board.

13 ~~20-~~ 17. "Geological practice" means any professional service or work  
14 requiring geological education, training and experience, and the application  
15 of special knowledge of the earth sciences to such professional services as  
16 consultation, evaluation of mining properties, petroleum properties and  
17 groundwater resources, professional supervision of exploration for mineral  
18 natural resources including metallic and nonmetallic ores, petroleum and  
19 groundwater, and the geological phases of engineering investigations.

20 ~~21-~~ 18. "Geologist" means a person, not of necessity an engineer, who  
21 by reason of special knowledge of the earth sciences and the principles and  
22 methods of search for and appraisal of mineral or other natural resources  
23 acquired by professional education and practical experience is qualified to  
24 practice geology as attested by registration as a professional geologist. A  
25 person employed on a full-time basis as a geologist by an employer engaged in  
26 the business of developing, mining or treating ores and other minerals shall  
27 not be deemed to be engaged in geological practice for the purposes of this  
28 chapter if the person engages in geological practice exclusively for and as  
29 an employee of such employer and does not represent that the person is  
30 available and is not represented as being available to perform any geological  
31 services for persons other than the person's employer.

32 ~~22-~~ 19. "Geologist-in-training" means a candidate for registration as  
33 a professional geologist who is a graduate of a school approved by the board  
34 or who has ~~had~~ four years or more of education or experience, or both, in  
35 geological work ~~which~~ ~~THAT~~ meets standards specified by the board in its  
36 rules. In addition, the candidate shall have passed the  
37 geologist-in-training examination.

38 ~~23-~~ 20. "Home inspection" means a visual analysis for the purposes of  
39 providing a professional opinion of the building, any reasonably accessible  
40 installed components and the operation of the building's systems, including  
41 the controls normally operated by the owner, for the following components of  
42 a residential building of four units or less:

- 43 (a) Heating system.
- 44 (b) Cooling system.
- 45 (c) Plumbing system.

- 1 (d) Electrical system.
- 2 (e) Structural components.
- 3 (f) Foundation.
- 4 (g) Roof covering.
- 5 (h) Exterior and interior components.
- 6 (i) Site aspects as they affect the building.
- 7 (j) Pursuant to rules adopted by the board, swimming pool and spa.

8 ~~24.~~ 21. "Home inspection report" means a written report that is  
9 prepared for compensation, that is issued after a home inspection and that  
10 clearly describes and identifies the inspected systems, structures and  
11 components of a completed dwelling and any visible major defects found to be  
12 in need of immediate major repair and any recommendations for additional  
13 evaluation by appropriate persons.

14 ~~25.~~ 22. "Home inspector" means an individual who is certified pursuant  
15 to this chapter as a home inspector and who engages in the business of  
16 performing home inspections and writing home inspection reports.

17 ~~26.~~ 23. "Home inspector-in-training" means a candidate for  
18 certification as a home inspector who has completed a course of study  
19 approved by the board and who is participating in a training program that  
20 complies with standards recommended by the home inspector rules and standards  
21 committee and approved by the board.

22 ~~27.~~ 24. "Land surveying practice" means the performance of one or more  
23 of the following professional services:

24 (a) Measurement of land to determine the position of any monument or  
25 reference point ~~which~~ THAT marks a property line, boundary or corner for the  
26 purpose of determining the area or description of the land.

27 (b) Location, relocation, establishment, reestablishment, setting,  
28 resetting or replacing of corner monuments or reference points which identify  
29 land boundaries, rights-of-way or easements.

30 (c) Platting or plotting of lands for the purpose of subdividing.

31 (d) Measurement by angles, distances and elevations of natural or  
32 artificial features in the air, on the surface and immediate subsurface of  
33 the earth, within underground workings and on the surface or within bodies of  
34 water for the purpose of determining or establishing their location, size,  
35 shape, topography, grades, contours or water surface and depths, and the  
36 preparation and perpetuation of field note records and maps depicting these  
37 features.

38 (e) Setting, resetting or replacing of points to guide the location of  
39 new construction.

40 ~~28.~~ 25. "Land surveyor" means a person who by reason of knowledge of  
41 the mathematical and physical sciences, principles of land surveying and  
42 evidence gathering acquired by professional education or practical  
43 experience, or both, is qualified to practice land surveying as attested by  
44 registration as a land surveyor. A person employed on a full-time basis as a  
45 land surveyor by an employer engaged in the business of developing, mining or

1 treating ores or other minerals shall not be deemed to be engaged in land  
2 surveying practice for purposes of this chapter if the person engages in land  
3 surveying practice exclusively for and as an employee of such employer and  
4 does not represent that the person is available and is not represented as  
5 being available to perform any land surveying services for persons other than  
6 the person's employer.

7 ~~29.~~ 26. "Land surveyor-in-training" means a candidate for registration  
8 as a professional land surveyor who is a graduate of a school and curriculum  
9 approved by the board, ~~or~~ or who has four years or more of education or  
10 experience, or both, in land surveying work ~~which~~ THAT meets standards  
11 specified by the board in its rules. In addition, the candidate shall have  
12 passed the land surveyor-in-training examination.

13 ~~30.~~ 27. "Landscape architect" means a person who, by reason of  
14 professional education or practical experience, or both, is qualified to  
15 engage in the practice of landscape architecture as attested by registration  
16 as a landscape architect.

17 ~~31.~~ 28. "Landscape architect-in-training" means a candidate for  
18 registration as a professional landscape architect who is a graduate of a  
19 school approved by the board or who has ~~had~~ four years or more of education  
20 or experience, or both, in landscape architectural work ~~which~~ THAT meets  
21 standards specified by the board in its rules. In addition, the candidate  
22 shall have passed the landscape architect-in-training examination.

23 ~~32.~~ 29. "Landscape architectural practice" means the performance of  
24 professional services such as consultations, investigation, reconnaissance,  
25 research, planning, design or responsible supervision in connection with the  
26 development of land and incidental water areas where, and to the extent that,  
27 the dominant purpose of such services is the preservation, enhancement or  
28 determination of proper land uses, natural land features, ground cover and  
29 planting, naturalistic and aesthetic values, the settings of and approaches  
30 to buildings, structures, facilities or other improvements, natural drainage  
31 and the consideration and the determination of inherent problems of the land  
32 relating to erosion, wear and tear, light or other hazards. This practice  
33 shall include the location and arrangement of such tangible objects and  
34 features as are incidental and necessary to the purposes outlined in this  
35 paragraph but shall not include the making of cadastral surveys or final land  
36 plats for official recording or approval, nor mandatorily include planning  
37 for governmental subdivisions.

38 ~~33.~~ 30. "Monitored alarm" means a device that is designed for the  
39 detection of an entry on any premises and that if activated generates a  
40 notification signal.

41 ~~34.~~ 31. "On-site supervisor" means the employee of a drug laboratory  
42 site remediation firm who is authorized to oversee on-site workers in the  
43 performance of their duties.

1       ~~35-~~ 32. "On-site worker" means an employee of a drug laboratory site  
2 remediation firm who has on-site duties or who handles contaminated  
3 materials, chemicals or contaminated equipment.

4       ~~36-~~ 33. "Person" means any individual, firm, partnership, corporation,  
5 association or other organization.

6       ~~37-~~ 34. "Principal" means an individual who is an officer of the  
7 corporation or is designated by a firm as having full authority and  
8 responsible charge of the services offered by the firm.

9       ~~38-~~ 35. "Proprietor alarm" means any alarm or alarm system that is  
10 owned by an alarm subscriber who has not contracted with an alarm business.

11       ~~39-~~ 36. "Registrant" means a person registered or certified by the  
12 board.

13       ~~40-~~ 37. "Registration" means a registration or certification issued by  
14 the board.

15       Sec. 8. Section 32-102, Arizona Revised Statutes, is amended to read:

16       ~~32-102.~~ State board of technical registration; vacancies; terms

17       A. ~~A-~~ THE state board of technical registration is established  
18 consisting of members WHO ARE appointed by the governor as follows:

19           1. Two architects.

20           2. Three professional engineers, two of whom are representatives of  
21 branches of engineering other than civil engineering and are registered in  
22 those branches pursuant to this chapter.

23           3. One public member.

24           4. One landscape architect.

25           5. One geologist ~~or assayer.~~

26           6. One land surveyor.

27       B. ~~Upon~~ ON the expiration of any of the terms, a successor, ~~WHO IS~~  
28 qualified pursuant to subsection A, ~~OF THIS SECTION~~ shall be appointed for a  
29 full term of three years. The governor may remove a member of the board for  
30 misconduct, incapacity or neglect of duty. Appointment to fill a vacancy  
31 caused other than by expiration of term shall be for the unexpired portion of  
32 the term.

33       C. No member may serve more than two consecutive terms.

34       Sec. 9. Section 32-103, Arizona Revised Statutes, is amended to read:

35       ~~32-103.~~ Qualifications of members

36       A. Each professional member of the board shall:

37           1. Be at least twenty-five years of age.

38           2. Have been a resident of ~~the~~ THIS state for at least three years  
39 immediately preceding appointment as a member.

40       B. Each member who is an architect, A geologist, ~~an assayer,~~ a  
41 landscape architect, a professional engineer or a land surveyor shall have  
42 ~~had~~ at least five years' active professional experience as attested by  
43 registration under this chapter.

1           Sec. 10. Section 32-122, Arizona Revised Statutes, is amended to read:

2           32-122. Qualifications for in-training registration

3           A. An applicant for in-training registration as an architect,  
4 engineer, geologist or landscape architect shall:

5           1. Be of good moral character and repute.

6           2. Be a graduate of a school approved by the board or have four years  
7 or more, or if an applicant for in-training registration as an architect,  
8 five years or more, of education or experience, or both, in work in the  
9 profession in which registration is sought that meets standards specified by  
10 the board in its rules.

11          3. Unless exempt under section 32-126, subsection D, pass the  
12 in-training examination in the profession in which registration is sought.

13          B. An applicant for in-training registration as ~~an assayer or~~ A land  
14 surveyor shall:

15          ~~1. Be of good moral character and repute.~~

16          ~~2.~~ 1. Be a graduate of a school and curriculum approved by the board,  
17 or have four years or more of education or experience, or both, in work in  
18 the profession in which registration is sought that meets standards specified  
19 by the board in its rules.

20          ~~3.~~ 2. Unless exempt under section 32-126, subsection D, pass the  
21 in-training examination in the profession in which registration is sought.

22          C. An applicant for in-training registration as a home  
23 inspector-in-training shall:

24          1. Be of good moral character and repute.

25          2. Meet the requirements of section 32-122.02, subsection A,  
26 paragraphs 1 through 7.

27       Sec. 11. Section 32-122.01, Arizona Revised Statutes, is amended to  
28 read:

29       32-122.01. Qualifications for professional registration

30       A. An applicant for professional registration as an architect,  
31 engineer, geologist or landscape architect shall:

32       1. Be of good moral character and repute.

33       2. Be actively engaged in education or experience, or both, in the  
34 profession for which registration is sought for at least eight years.

35       3. Unless exempt under section 32-126, pass the in-training and  
36 professional examinations in the profession in which registration is sought.

37       B. An applicant for professional registration as ~~an assayer or~~ A land  
38 surveyor shall:

39       1. Be of good moral character and repute.

40       2. Be actively engaged in education or experience, or both, in the  
41 profession for which registration is sought for at least six years.

42       3. Unless exempt under section 32-126, pass the in-training and  
43 professional examinations in the profession in which registration is sought.

44       C. In computing the period of active engagement required under this  
45 section:

1           1. Each year of study satisfactorily completed in an architectural,  
2 engineering, geological or landscape architectural school approved by the  
3 board is equivalent to one year of active engagement up to a maximum of five  
4 years. One year or more of teaching architectural, engineering, geological  
5 or landscape architectural subjects in a school approved by the board is  
6 equivalent to one year of active engagement.

7           2. Each year of study satisfactorily completed in ~~an assaying or~~ A  
8 land surveying curriculum and school approved by the board is considered  
9 equivalent to one year of active engagement up to a maximum of four years.  
10 One year or more of teaching ~~assaying or~~ land surveying or other courses  
11 approved by the board as pertinent to the profession in which registration is  
12 sought in a school approved by the board is equivalent to one year of active  
13 engagement.

14           D. Except as provided in subsection E of this section, experience  
15 credited by the board under this section and sections 32-101, 32-122 and  
16 32-126 must be attained under the direct supervision of a professional who is  
17 satisfactory to the board and registered in this state, another state or a  
18 foreign country in the profession in which the applicant is seeking  
19 registration, except that up to one year's experience may be attained under  
20 the direct supervision of a professional who is satisfactory to the board and  
21 registered in another profession regulated under this chapter in this state,  
22 another state or a foreign country.

23           E. By two-thirds majority vote the board may allow an applicant except  
24 for an architect applicant to meet the requirements of subsection D of this  
25 section by crediting comparable experience satisfactory to the board that the  
26 applicant attained without direct supervision of a registered professional.

27           Sec. 12. Title 32, chapter 1, article 2, Arizona Revised Statutes, is  
28 amended by adding section 32-132, to read:

29           32-132. Assayer emeritus status

30           THE BOARD SHALL GRANT ASSAYER EMERITUS STATUS TO AN ASSAYER WHO IS  
31 REGISTERED BY THE BOARD PURSUANT TO THIS CHAPTER ON THE EFFECTIVE DATE OF  
32 THIS SECTION IF BOTH OF THE FOLLOWING APPLY:

33           1. THE ASSAYER HAS NOT RECEIVED ANY COMPLAINTS DURING THE ASSAYER'S  
34 ACTIVE REGISTRATION.

35           2. THE ASSAYER ANALYZES METALS, ORES, MINERALS OR ALLOYS TO ASCERTAIN  
36 THE QUANTITY OF GOLD OR SILVER OR ANY OTHER SUBSTANCE PRESENT IN THE METALS,  
37 ORES, MINERALS OR ALLOYS.

38           Sec. 13. Section 32-142, Arizona Revised Statutes, is amended to read:

39           32-142. Public works

40           A. Drawings, plans, specifications, estimates and construction  
41 observation for public works of ~~the~~ THIS state or a political subdivision  
42 ~~thereof~~ OF THIS STATE involving architecture, engineering, ~~assaying~~, geology,  
43 landscape architecture or land surveying shall be prepared by or under the  
44 direct supervision of a registrant within the category involved.

1 B. Surveys, ~~OR~~ maps ~~or assays~~ required in connection with public land  
2 surveying ~~or assaying~~ shall be made by or under the personal direction of a  
3 qualified registrant.

4 C. Drawings, plans, design specifications and construction observation  
5 of public works facilities of the state or a political subdivision ~~thereof~~ OF  
6 THIS STATE for the use or storage of hazardous materials shall be made by or  
7 under the direct supervision of a qualified registrant in the appropriate  
8 field.

9 Sec. 14. Section 32-144, Arizona Revised Statutes, is amended to read:  
10 32-144. Exemptions and limitations

11 A. Professions and occupations regulated by the board may be practiced  
12 without compliance with the requirements of this chapter by:

13 1. An officer or employee of the United States, practicing as such.

14 2. An employee of a registrant or of a person exempt from  
15 registration, if such employment does not involve direct responsibility for  
16 design, inspection or supervision.

17 3. A nonregistrant who designs, alters or adds to either of the  
18 following:

19 (a) A detached single family dwelling.

20 (b) An individual unit in a multifamily dwelling if the walls that are  
21 designed, altered or added in the unit are not bearing walls, shear walls or  
22 firewalls, which shall be determined by a registrant following an evaluation  
23 of the walls to be designed, altered or added.

24 4. A nonregistrant who designs a one or two story building or  
25 structure in which the square footage of the floor area measured to the  
26 outside surface of the exterior walls does not exceed three thousand square  
27 feet, that is not intended for occupancy by more than twenty persons on a  
28 continuous basis and in which the maximum span of any structural member does  
29 not exceed twenty feet unless a greater span is achieved by the use of wood  
30 or steel roof or floor trusses or lintels approved by an engineer registered  
31 by the board.

32 5. A nonregistrant who designs additions or alterations to a one or  
33 two story building or structure subject to the limitations set forth in  
34 paragraph 4 of this subsection. A nonregistrant may exceed the maximum three  
35 thousand square foot limitation set forth in paragraph 4 of this subsection  
36 for a one-time single addition not exceeding one thousand five hundred square  
37 feet as measured to the outside surface of the exterior walls and designed  
38 for the purpose of storage of chattels.

39 6. A nonregistrant who designs a water or wastewater treatment plant,  
40 or extensions, additions, modifications or revisions, or extensions to water  
41 distribution or collection systems, if the total cost of such construction  
42 does not exceed twelve thousand five hundred dollars.

43 7. A nonregistrant who designs buildings or structures to be erected  
44 on property owned or leased by the nonregistrant or by a person, firm or  
45 corporation, including a utility, telephone, mining or railroad company,



1 which employs the nonregistrant on a full-time basis, if the buildings or  
2 structures are intended solely for the use of the owner or lessee of the  
3 property, are not ordinarily occupied by more than twenty people, are not for  
4 sale to, rental to or use by the public and conform to the building code  
5 adopted by the city, town or county in which the building is to be erected or  
6 altered.

7 8. A nonregistrant who provides horticultural consultations or  
8 prepares planting plans for plant installations.

9 B. A registrant who performs any of the activities described in  
10 subsection A, paragraphs 3 through 8 of this section is subject to the  
11 requirements of this chapter.

12 C. The requirements of this chapter shall not apply to work done by  
13 any communications common carrier or its affiliates or any public service  
14 corporation or manufacturing industry or by full-time employees of any of  
15 them, provided such work is in connection with or incidental to the products,  
16 systems or nonengineering services of such communications common carrier or  
17 its affiliates or public service corporation or manufacturing industry, and  
18 provided that the engineering service is not offered directly to the public.

19 D. An individual shall not perform home inspections unless the  
20 individual is certified as a home inspector pursuant to this chapter, except  
21 that nothing in this chapter prevents:

22 1. A person who is licensed, certified or registered pursuant to this  
23 chapter or another chapter in this title from acting within the scope of the  
24 person's license, certification or registration.

25 2. A person who is employed by a governmental entity from inspecting  
26 residential structures if the inspection is within official duties and  
27 responsibilities.

28 3. A person from performing a home inspection if the inspection will  
29 be used solely by a bank, savings and loan association or credit union to  
30 monitor progress on the construction of a residential structure, unless  
31 otherwise required by federal law or regulation.

32 4. A person who is employed as a property manager for a residential  
33 structure and whose official duties and responsibilities include inspecting  
34 the residential structure from performing a home inspection on the structure  
35 if the person does not receive separate compensation for the inspection work.

36 E. No person including a person described in subsection D of this  
37 section may use any letterhead, advertisement, communication or other device  
38 to represent that the person is a home inspector unless the person is  
39 certified as a home inspector pursuant to this chapter.

40 F. A GEOLOGIST MAY ENGAGE IN A GEOLOGICAL PRACTICE WITHOUT BEING  
41 REGISTERED UNDER THIS CHAPTER.

42 Sec. 15. Section 32-1301, Arizona Revised Statutes, is amended to  
43 read:

44 32-1301. Definitions

45 In this chapter, unless the context otherwise requires:

1           1. "Accredited" means recognized or authorized by the American board  
2 of funeral service education.

3           2. "Administrative costs and expenses" means the cost of copies,  
4 transcripts, court reporter and witness fees, reimbursement for mileage and  
5 office of administrative hearings costs.

6           3. "Alternative container" means any unfinished wood box or other  
7 nonmetal receptacle or enclosure, without ornamentation or a fixed interior  
8 lining, that is designed for the encasement of human remains.

9           4. "Authorizing agent" means a person who is legally entitled to order  
10 the cremation, disinterment or embalming of human remains pursuant to section  
11 32-1365.02.

12          5. "Beneficiary" means a person whose future funeral arrangements will  
13 be handled by a funeral establishment pursuant to a prearranged funeral  
14 agreement.

15          6. "Board" means the state board of funeral directors and embalmers.

16          7. "Business entity" includes any corporation, association, limited  
17 liability company, professional corporation, partnership, limited  
18 partnership, sole proprietorship, business trust, trust, joint venture and  
19 other business entity.

20          8. "Casket" means a rigid container that is designed for the permanent  
21 encasement of human remains and that is usually constructed of wood, metal or  
22 synthetic substances and ornamented and lined with fabric.

23          9. "Change of ownership" means a transfer of a controlling legal or  
24 equitable interest in a licensed funeral establishment or crematory resulting  
25 from a sale or merger. If the establishment or crematory is operated by a  
26 business entity, any transfer of the ownership of ten ~~per-cent~~ PERCENT or  
27 more of the entity constitutes a change of ownership.

28          10. "Conviction" means a criminal adjudication or conviction by any  
29 state or federal court of competent jurisdiction, including a judgment based  
30 on a no contest plea, without regard to whether civil rights have been  
31 restored.

32          11. "Cremated remains" means the remaining bone fragments after  
33 cremation.

34          12. "Cremation" means the heating process that reduces human remains  
35 to bone fragments by combustion and evaporation.

36          13. "Cremation container" means a leak and spill resistant, rigid,  
37 combustible, closed receptacle into which human remains are placed before  
38 cremation.

39          14. "Cremationist" means a person who operates a crematory retort, who  
40 performs the actual cremation of human remains and who ~~is~~ MAY BE licensed  
41 pursuant to article 6 of this chapter.

42          15. "Crematory" means a building or portion of a building that is  
43 licensed pursuant to article 6 of this chapter and that houses a retort in  
44 which only human remains are cremated.

1           16. "Disciplinary action" means action taken by the board to revoke or  
2 suspend a license or registration, to impose probationary requirements or  
3 civil penalties or to issue a letter of censure or reprimand to any person  
4 who is subject to this chapter and who violates any provision of this chapter  
5 or rules adopted by the board.

6           17. "Embalmer" means a person who is licensed pursuant to this chapter  
7 and who is engaged in embalming.

8           18. "Embalmer's assistant" means a person who is registered pursuant  
9 to this chapter and who is engaged in embalming without the supervision of a  
10 licensed embalmer.

11           19. "Embalming" means the implementation of reconstructive procedures  
12 and the process of disinfecting and preserving a dead human body to retard  
13 organic decomposition by treating the body to reduce the presence and growth  
14 of organisms.

15           20. "Financial institution" means a bank, savings and loan  
16 association, trust company or credit union that is lawfully doing business in  
17 this state and that is not affiliated with a funeral establishment.

18           21. "Fixed price prearranged funeral agreement funded by trust" means  
19 any agreement or combination of agreements that establishes a fixed price for  
20 funeral goods and services, that requires a funeral establishment to provide  
21 those funeral goods and services at the price levels in effect at the time of  
22 the execution of the agreement and that requires the purchaser to convey all  
23 or a portion of the accrued interest to the funeral establishment at the time  
24 that the funeral goods and services are actually provided.

25           22. "Funded by insurance" means that monies for a prearranged funeral  
26 agreement are paid directly to an insurance company licensed pursuant to  
27 title 20 on behalf of the beneficiary of the agreement.

28           23. "Funeral directing" means arranging, directing or providing a  
29 service in the disposition of dead human bodies for compensation.

30           24. "Funeral director" means a person who is licensed pursuant to this  
31 chapter and who is engaged in funeral directing.

32           25. "Funeral establishment" means a business at a specific location  
33 that is licensed pursuant to this chapter and that is devoted to the care,  
34 storage or preparation for final disposition or transportation of dead human  
35 bodies.

36           26. "Funeral goods and services" means any personal property or  
37 services typically sold or provided in connection with the final disposition  
38 of human remains, including caskets, alternative containers, outer burial  
39 containers, cremation containers, transportation containers, funeral clothing  
40 or accessories, monuments, grave markers, urns, embalming services, funeral  
41 directing services and similar funeral or burial items. Funeral goods and  
42 services do not include goods and services sold by cemeteries.

43           27. "Good moral character" means that a person:

44           (a) Has not been convicted of a class 1 or 2 felony by a court of  
45 competent jurisdiction.

1 (b) Has not, within five years of application for licensure or  
2 registration, been convicted of a felony or misdemeanor if the offense has a  
3 reasonable relationship to the person's proposed area of licensure or  
4 registration.

5 (c) Has not, within five years of application for licensure or  
6 registration, committed any act involving dishonesty, fraud,  
7 misrepresentation, breach of fiduciary duty, gross negligence or incompetence  
8 if the act has a reasonable relationship to the person's proposed area of  
9 licensure or registration.

10 (d) Is not currently incarcerated in or on community supervision after  
11 a period of imprisonment in a local, state or federal penal institution or on  
12 criminal probation.

13 (e) Has not engaged in fraud or misrepresentation in connection with  
14 an application for licensure or registration under this chapter or an  
15 examination required for licensure or registration.

16 (f) Has not, within five years of application for licensure or  
17 registration, had a license, registration or endorsement revoked or suspended  
18 by the board or by the funeral services licensing authority of any other  
19 jurisdiction.

20 (g) Has not surrendered a license, registration or endorsement to the  
21 board or the funeral licensing authority of any other jurisdiction in lieu of  
22 disciplinary action.

23 (h) Has not practiced funeral directing or embalming without a license  
24 in this state or any other jurisdiction that requires licensure to perform  
25 these activities.

26 28. "Holding facility" means a designated area for the retention of  
27 human remains.

28 29. "Human remains" means a lifeless human body or parts of a human  
29 body that permit a reasonable inference that death occurred.

30 30. "Intern" means a person who is licensed pursuant to this chapter  
31 and who is engaged in embalming under the supervision of a licensed embalmer.

32 31. "Intern trainee" means a person who intends to enter training as  
33 an intern and who is temporarily employed by a funeral establishment.

34 32. "License" means a written authorization that is issued by the  
35 board and that entitles a person to act as a funeral director, embalmer or  
36 intern or to operate a funeral establishment or crematory in this state.

37 33. "Licensee" means a person to whom the board has issued a license  
38 to act as a funeral director, embalmer or intern or to operate a funeral  
39 establishment or crematory in this state.

40 34. "Manage" means:

41 (a) ~~For THAT~~ a responsible funeral director ~~to exercise~~ EXERCISES  
42 control and oversight over all employees of a funeral establishment and over  
43 funeral transactions, including the care of dead human bodies, funeral  
44 services and activities and the documentation and retention of records.

1 (b) ~~For~~ THAT a responsible cremationist ~~to exercise~~ EXERCISES control  
2 and oversight over all employees of a crematory and crematory operations.

3 35. "National board examination" means the test or tests given by the  
4 conference of funeral service examining boards to determine the entry level  
5 knowledge and skills of a person regarding funeral directing and embalming.

6 36. "Net interest" means interest earned on a prearranged funeral  
7 trust account less applicable taxes, reasonable and necessary charges made by  
8 the financial institution and the annual service fee permitted to be deducted  
9 by the funeral establishment according to section 32-1391.06, subsection B.

10 37. "Outer burial container" means a container that is designed for  
11 placement in a grave around a casket, including burial vaults, grave boxes  
12 and grave liners.

13 38. "Owner" means a person who owns ten ~~per-cent~~ PERCENT or more of a  
14 business entity. Owner does not include shareholders of companies who have a  
15 class of common equity stock listed or authorized to be listed on the New  
16 York stock exchange or the American stock exchange or listed on the NASDAQ  
17 stock market.

18 39. "Person legally responsible" means the person responsible for  
19 burying a dead body as determined in section 36-831.

20 40. "Prearranged funeral agreement" means any agreement or combination  
21 of agreements under which a payment is made before the death of the intended  
22 beneficiary for funeral goods and services to be delivered or performed after  
23 the death of the beneficiary.

24 41. "Prearranged funeral trust account" means a trust account that is  
25 established at a financial institution and into which all monies paid on  
26 behalf of a beneficiary pursuant to a prearranged funeral agreement are  
27 deposited.

28 42. "Preparation" means washing, shaving, dressing or arranging hair  
29 on, applying cosmetics to or positioning bodily features on a dead human body  
30 and placing a dead human body in a casket.

31 43. "Processed cremated remains" means cremated remains after they are  
32 pulverized and cleaned, leaving primarily small bone fragments.

33 44. "Provisionally accredited" means granted candidacy status by the  
34 American board of funeral service education.

35 45. "Registration" means a written authorization that is issued by the  
36 board and that entitles a person to act as an assistant funeral director, an  
37 embalmer's assistant or a prearranged funeral salesperson in this state.

38 46. "Responsible cremationist" means a licensed cremationist who  
39 manages a crematory.

40 47. "Responsible funeral director" means a person who is licensed  
41 pursuant to this chapter, who is engaged in funeral directing and who manages  
42 and is accountable for a funeral establishment.

43 48. "Retort" means an enclosed space within which cremation takes  
44 place.

1           49. "State equivalent examination" means the test or tests provided by  
2 the conference of funeral service examining boards and offered by the board  
3 to determine the entry level knowledge and skills of a person regarding  
4 funeral directing and embalming.

5           50. "Supervise" or "supervision" means a licensed embalmer has  
6 responsibility for and is within sight and sound of a licensed intern who is  
7 embalming a dead human body or a student who is assisting in embalming a dead  
8 human body.

9           51. "Temporary container" means a receptacle that is usually made of  
10 cardboard, rigid plastic or another similar material and that is designed to  
11 hold processed cremated remains until they are placed in an urn or another  
12 permanent container.

13           52. "Trust funds" means all monies deposited on behalf of a  
14 beneficiary of a prearranged funeral agreement funded by trust and all  
15 accrued net interest. Trust funds shall be considered an account kept in  
16 suspense until distributed to the beneficiary, the funeral establishment or  
17 the estate of the beneficiary in accordance with this article.

18           53. "Universal precautions" means the universal blood and fluid  
19 precautions recommended by the centers for disease control of the United  
20 States public health service to prevent the transmission of ~~blood-borne~~  
21 BLOODBORNE and bodily fluid-borne infectious diseases.

22           54. "Unprofessional conduct" includes the following acts, whether  
23 occurring in this state or elsewhere:

24           (a) Commission of a class 1 or 2 felony.

25           (b) Commission of a felony or misdemeanor if the offense has a  
26 reasonable relationship to funeral directing or embalming. Conviction by any  
27 court of competent jurisdiction or a plea of no contest is conclusive  
28 evidence of the commission.

29           (c) Providing false, misleading or deceptive information on an  
30 application for licensure or registration pursuant to this chapter or on an  
31 examination required for licensure or registration.

32           (d) Bribing or offering to bribe, directly or indirectly, a member of  
33 the board to influence the member's actions in the performance of the  
34 member's duties.

35           (e) Wilfully interfering with an embalmer, funeral director or  
36 cremationist who has lawful custody of a dead human body in the performance  
37 of the embalmer's, funeral director's or cremationist's duty to embalm or  
38 prepare the body for burial, transportation or cremation.

39           (f) Paying or causing money or other valuable consideration to be paid  
40 to a person, other than an employee of a funeral establishment, to secure  
41 business regulated pursuant to this chapter from or through the person.

42           (g) Violating any law of this state or any rule adopted by the  
43 department of health services that relates to the embalming or preparation of  
44 dead human bodies.

1 (h) Certifying falsely to having embalmed or prepared a dead human  
2 body that was embalmed by a person other than a licensed embalmer making the  
3 certification or an intern under the supervision of a licensed embalmer  
4 making the certification.

5 (i) Falsely advertising or labeling any service or merchandise with  
6 the intention of deceiving the public.

7 (j) Shipping or delivering any merchandise or supplies that are not  
8 the substantial equivalent of or superior in quality to merchandise or  
9 supplies previously presented to the purchaser as samples.

10 (k) Committing any act involving dishonesty, fraud, misrepresentation,  
11 breach of fiduciary duty, gross negligence or incompetence if the act has a  
12 reasonable relationship to funeral directing or embalming.

13 (l) Engaging in any conduct or practice that is reasonably related to  
14 funeral directing or embalming and that is or may be harmful or dangerous to  
15 the health, safety or welfare of the public.

16 (m) Within a period of five years, having a license, registration or  
17 endorsement suspended or revoked by the board or by the funeral services  
18 licensing authority of any other jurisdiction or surrendering a license,  
19 registration or endorsement in lieu of disciplinary action.

20 55. "Urn" means a receptacle into which processed cremated remains are  
21 placed for disposition.

22 Sec. 16. Section 32-1394.01, Arizona Revised Statutes, is amended to  
23 read:

24 32-1394.01. Application; qualifications for cremationist  
25 licensure; licensure requirement for responsible  
26 cremationists

27 A. An applicant for a cremationist license shall submit a completed  
28 application on a form prescribed by the board. The application shall be  
29 subscribed under oath and shall be accompanied by the applicable fee pursuant  
30 to section 32-1309 and any additional information that the board deems  
31 necessary.

32 B. An applicant for a cremationist license shall be of good moral  
33 character and shall submit a completed fingerprint card and the prescribed  
34 fingerprint ~~background~~ RECORDS check fee to the board to enable the board or  
35 the department of public safety to conduct a criminal ~~background~~ RECORDS  
36 check.

37 C. An applicant for a cremationist license shall meet the educational  
38 requirements as prescribed by the board in rule.

39 D. If the board finds that the applicant meets the criteria for  
40 cremationist licensure under this section and under rules adopted by the  
41 board, the board shall issue a cremationist license.

42 E. NOTWITHSTANDING ANY OTHER LAW, A RESPONSIBLE CREMATIONIST IS  
43 REQUIRED TO BE LICENSED PURSUANT TO THIS ARTICLE. ANY OTHER CREMATIONIST MAY  
44 BE LICENSED PURSUANT TO THIS ARTICLE BUT, IF NOT LICENSED, MAY ENGAGE ONLY IN  
45 CREMATION ACTIVITY THAT IS ALLOWED WITHOUT A LICENSE.

1       Sec. 17. Section 32-2352, Arizona Revised Statutes, is amended to  
2 read:

3       32-2352. Enforcement; contract with private entity

4       A. The director, subject to title 41, chapter 6, shall adopt such  
5 rules concerning the administration and enforcement of this chapter as are  
6 necessary to carry out the intent of this chapter and to protect the public.  
7 The director or the director's authorized representative shall inspect the  
8 school facilities and equipment used by applicants and licensees under this  
9 chapter ~~and examine applicants for instructor's licenses.~~

10       B. The director shall administer and enforce this chapter.

11       C. The director may contract with a private entity to conduct  
12 inspections pursuant to this section and to administer any rules adopted  
13 pursuant to this section that relate to the licensure and administration of  
14 professional driver training schools pursuant to this chapter. The term of  
15 any contract entered into pursuant to this subsection shall not exceed five  
16 years with a right to renew for an additional five years. The private entity  
17 that contracts with the director pursuant to this subsection:

18       1. Shall not provide professional driver training school courses.

19       2. May charge a fee to each person who enrolls in a professional  
20 driver training school.

21       Sec. 18. Repeal

22       Section ~~32-2372~~, Arizona Revised Statutes, is repealed.

23       Sec. 19. Section 32-2373, Arizona Revised Statutes, is amended to  
24 read:

25       32-2373. Refusal to issue or renew license of school or agent

26       A. The director may refuse to issue or renew the license for a school  
27 or an agent ~~or instructor~~ in any case ~~where~~ **IN WHICH** the director determines  
28 that the licensee or applicant has not complied with, or has knowingly  
29 violated, any provision of this chapter or any rule adopted pursuant to this  
30 chapter by the director.

31       B. An applicant or licensee who is aggrieved by the director's  
32 decision may make a written request to the department for a hearing within  
33 thirty days after service of notice of the refusal. If the applicant or  
34 licensee does not request a hearing within thirty days, the decision is  
35 final. If the applicant or licensee requests a hearing, the director shall  
36 give written notice to the applicant or licensee to appear at the hearing and  
37 show cause why the refusal to issue or renew the license should not be  
38 upheld. After consideration of the evidence presented at the hearing, the  
39 director shall serve notice in writing to the applicant or licensee of the  
40 director's findings and order.

41       Sec. 20. Section 32-2374, Arizona Revised Statutes, is amended to  
42 read:

43       32-2374. Fees

44       Except as provided in section 32-4301, all licenses expire on the last  
45 day of the calendar year and may be renewed ~~upon~~ **ON** application to the



1 director as prescribed by rule. Each application for an original or renewal  
2 license to operate a professional driver training school shall be accompanied  
3 by a fee of two hundred dollars. Each application for an original or renewal  
4 agent's ~~or instructor's~~ license shall be accompanied by a fee of ten  
5 dollars. An application for a branch license shall be accompanied by a fee  
6 of fifty dollars. No license fee may be refunded in the event a license is  
7 suspended or revoked.

8 Sec. 21. Section 32-2391, Arizona Revised Statutes, is amended to  
9 read:

10 32-2391. Suspension and revocation of license; determination;  
11 appeal

12 The director, after conducting a hearing for the licensee, may cancel,  
13 suspend or revoke the license of a school, ~~OR agent or instructor~~ in any  
14 case ~~where~~ **IN WHICH** the director finds that the licensee has not complied  
15 with, or has knowingly violated, this chapter or any rule adopted under this  
16 chapter. Each cancelled, suspended or revoked license shall be returned to  
17 the director by the licensee. Decisions of the director shall be subject to  
18 judicial review pursuant to title 12, chapter 7, article 6.

19 Sec. 22. Section 32-3021, Arizona Revised Statutes, as amended by Laws  
20 2011, chapter 141, section 1, is amended to read:

21 32-3021. Private vocational program license; qualifications;  
22 provision of information; exemptions

23 A. A person shall not operate a private vocational program unless the  
24 person holds a private vocational program license issued pursuant to this  
25 chapter. Each program offered by a private vocational program licensee shall  
26 be authorized on a private vocational program license. The board shall  
27 prescribe the manner in which the programs shall be identified on the  
28 license.

29 B. An applicant for a private vocational program license shall meet  
30 all of the following requirements:

31 1. Furnish a letter of credit, surety bond or cash deposit as provided  
32 in section 32-3023.

33 2. Make specific information concerning educational programs,  
34 including statements of purpose, objectives, course of study, policies, fees  
35 and other pertinent information, available to prospective students and the  
36 general public.

37 3. Be financially responsible and have management capability.

38 4. Maintain a qualified faculty.

39 5. Maintain facilities, equipment and materials that are appropriate  
40 for the stated program. All facilities shall meet applicable state and local  
41 health and safety laws.

42 6. Maintain appropriate records as the board prescribes that are  
43 properly safeguarded and preserved.

44 7. Use only advertisements that are consistent with the information  
45 made available as provided in paragraph 2 of this subsection.

1           8. Provide courses of instruction that meet stated objectives.

2           9. Provide a grievance procedure for students.

3           10. Comply with all federal and state laws relating to the operation  
4 of a private postsecondary educational institution.

5           11. Other requirements the board deems necessary.

6           C. An applicant for a private vocational program license shall submit  
7 evidence of meeting the requirements prescribed in subsection B of this  
8 section to the board. The board shall verify the evidence submitted.  
9 Verification shall include on-site verification.

10          D. The filing of an application grants the board the authority to  
11 obtain information from any of the following:

12           1. A licensing board or agency in any state, district, territory or  
13 county of the United States or any foreign country.

14           2. The Arizona criminal justice information system as defined in  
15 section 41-1750.

16           3. The federal bureau of investigation.

17          E. The board, on application, may issue a private vocational program  
18 license to a new educational institution as provided in this section, except  
19 that the board shall establish separate minimum standards for licensure  
20 requirements of new educational institutions. These minimum standards may  
21 include the modification of licensure requirements as provided in subsection  
22 B, paragraphs 3, 5, 6, 7 and 8 of this section to meet the circumstances of  
23 new educational institutions. The board shall monitor the new educational  
24 institution to ensure compliance with the licensure requirements. The board  
25 shall issue a private vocational program license as provided in this  
26 subsection one time only to new educational institutions.

27          F. This section does not apply to any of the following:

28           1. A school licensed pursuant to chapter 3 or 5 of this title.

29           2. An instructional program or course sponsored by a bona fide trade  
30 association solely for its members.

31           3. Privately owned academic schools engaged in the process of general  
32 education that is designed to produce a level of development equivalent to  
33 that necessary to meet the requirements for entrance into a public community  
34 college or public university in this state and that may incidentally offer  
35 technical and vocational courses as part of the curriculum.

36           4. Schools or private instruction conducted by any person engaged in  
37 training, tutoring or teaching individuals or groups, if the instruction is  
38 related to hobbies, avocations, academic improvement or recreation and may  
39 only incidentally lead to gainful employment and if the instruction is for a  
40 period of under forty hours and costs less than one thousand dollars.

41           5. Schools conducted by any person solely for training the person's  
42 own employees.

43           6. An instructional program or course offered solely for employees and  
44 for the purpose of improving the employees in their employment if both of the  
45 following apply:

1 (a) The employee is not charged a fee.

2 (b) The employer provides or funds the program or course pursuant to a  
3 valid written contract between the employer and a program or course provider.

4 7. Training conducted pursuant to 14 Code of Federal Regulations  
5 part 141.

6 8. A school that solely provides an instructional program for  
7 certified nursing assistants and is licensed by the nursing board pursuant to  
8 section 32-1606, subsection B, paragraph 11.

9 9. A professional driving training school licensed by the department  
10 of transportation pursuant to chapter 23, articles 1, 2 and 3 of this title.

11 10. A training program approved by the board of examiners of nursing  
12 care institution administrators and assisted living facility managers that  
13 solely provides training for managers and caregivers of assisted living  
14 facilities.

15 11. A YOGA TEACHER TRAINING COURSE OR PROGRAM OR A YOGA INSTRUCTIONAL  
16 COURSE OR PROGRAM.

17 Sec. 23. Section 32-3021, Arizona Revised Statutes, as amended by Laws  
18 2015, chapter 262, section 20, is amended to read:

19 32-3021. Private vocational program license; qualifications;  
20 provision of information; exemptions

21 A. A person shall not operate a private vocational program unless the  
22 person holds a private vocational program license issued pursuant to this  
23 chapter. Each program offered by a private vocational program licensee shall  
24 be authorized on a private vocational program license. The board shall  
25 prescribe the manner in which the programs shall be identified on the  
26 license.

27 B. An applicant for a private vocational program license shall meet  
28 all of the following requirements:

29 1. Furnish a letter of credit, surety bond or cash deposit as provided  
30 in section 32-3023.

31 2. Make specific information concerning educational programs,  
32 including statements of purpose, objectives, course of study, policies, fees  
33 and other pertinent information, available to prospective students and the  
34 general public.

35 3. Be financially responsible and have management capability.

36 4. Maintain a qualified faculty.

37 5. Maintain facilities, equipment and materials that are appropriate  
38 for the stated program. All facilities shall meet applicable state and local  
39 health and safety laws.

40 6. Maintain appropriate records as the board prescribes that are  
41 properly safeguarded and preserved.

42 7. Use only advertisements that are consistent with the information  
43 made available as provided in paragraph 2 of this subsection.

44 8. Provide courses of instruction that meet stated objectives.

45 9. Provide a grievance procedure for students.

1           10. Comply with all federal and state laws relating to the operation  
2 of a private postsecondary educational institution.

3           11. Other requirements the board deems necessary.

4           C. An applicant for a private vocational program license shall submit  
5 evidence of meeting the requirements prescribed in subsection B of this  
6 section to the board. The board shall verify the evidence submitted.  
7 Verification shall include on-site verification.

8           D. The filing of an application grants the board the authority to  
9 obtain information from any of the following:

10           1. A licensing board or agency in any state, district, territory or  
11 county of the United States or any foreign country.

12           2. The Arizona criminal justice information system as defined in  
13 section 41-1750.

14           3. The federal bureau of investigation.

15           E. The board, on application, may issue a private vocational program  
16 license to a new educational institution as provided in this section, except  
17 that the board shall establish separate minimum standards for licensure  
18 requirements of new educational institutions. These minimum standards may  
19 include the modification of licensure requirements as provided in subsection  
20 B, paragraphs 3, 5, 6, 7 and 8 of this section to meet the circumstances of  
21 new educational institutions. The board shall monitor the new educational  
22 institution to ensure compliance with the licensure requirements. The board  
23 shall issue a private vocational program license as provided in this  
24 subsection one time only to new educational institutions.

25           F. This section does not apply to any of the following:

26           1. A school licensed pursuant to chapter 3 or 5 of this title.

27           2. An instructional program or course sponsored by a bona fide trade  
28 association solely for its members.

29           3. Privately owned academic schools engaged in the process of general  
30 education that is designed to produce a level of development equivalent to  
31 that necessary to meet the requirements for entrance into a public community  
32 college or public university in this state and that may incidentally offer  
33 technical and vocational courses as part of the curriculum.

34           4. Schools or private instruction conducted by any person engaged in  
35 training, tutoring or teaching individuals or groups, if the instruction is  
36 related to hobbies, avocations, academic improvement or recreation and may  
37 only incidentally lead to gainful employment and if the instruction is for a  
38 period of under forty hours and costs less than one thousand dollars.

39           5. Schools conducted by any person solely for training the person's  
40 own employees.

41           6. An instructional program or course offered solely for employees and  
42 for the purpose of improving the employees in their employment if both of the  
43 following apply:

44           (a) The employee is not charged a fee.

(b) The employer provides or funds the program or course pursuant to a valid written contract between the employer and a program or course provider.

7. Training conducted pursuant to 14 Code of Federal Regulations part 141.

8. A school that solely provides an instructional program for certified nursing assistants and licensed nursing assistants and is licensed by the nursing board pursuant to section 32-1606, subsection B, paragraph 11.

9. A professional driving training school licensed by the department of transportation pursuant to chapter 23, articles 1, 2 and 3 of this title.

10. A training program approved by the board of examiners of nursing care institution administrators and assisted living facility managers that solely provides training for managers and caregivers of assisted living facilities.

11. A YOGA TEACHER TRAINING COURSE OR PROGRAM OR A YOGA INSTRUCTIONAL COURSE OR PROGRAM.

Sec. 24. Section 41-619.51, Arizona Revised Statutes, is amended to read:

41-619.51. Definitions

In this article, unless the context otherwise requires:

1. "Agency" means the supreme court, the department of economic security, the department of child safety, the department of education, the department of health services, the department of juvenile corrections, the department of emergency and military affairs, the department of transportation, the state real estate department, the ~~state board of appraisal~~ DEPARTMENT OF FINANCIAL INSTITUTIONS, the Arizona game and fish department, ~~or~~ the board of examiners of nursing care institution administrators and assisted living facility managers OR THE STATE BOARD OF DENTAL EXAMINERS.

2. "Board" means the board of fingerprinting.

3. "Central registry exception" means notification to the department of economic security, the department of child safety or the department of health services, as appropriate, pursuant to section 41-619.57 that the person is not disqualified because of a central registry check conducted pursuant to section 8-804.

4. "Expedited review" means an examination, in accordance with board rule, of the documents an applicant submits by the board or its hearing officer without the applicant being present.

5. "Good cause exception" means the issuance of a fingerprint clearance card to an employee pursuant to section 41-619.55.

6. "Person" means a person who is required to be fingerprinted pursuant to this article or who is subject to a central registry check and any of the following:

- (a) Section 8-105.
- (b) Section 8-322.
- (c) Section 8-463.

1 (d) Section 8-509.  
2 (e) Section 8-802.  
3 (f) Section 8-804.  
4 (g) Section 15-183.  
5 (h) Section 15-503.  
6 (i) Section 15-512.  
7 (j) Section 15-534.  
8 (k) Section 15-763.01.  
9 (l) Section 15-782.02.  
10 (m) Section 15-1330.  
11 (n) Section 15-1881.  
12 (o) Section 17-215.  
13 (p) Section 28-3413.  
14 (q) Section 32-1232.  
15 (r) SECTION 32-1284.  
16 (s) SECTION 32-1297.01.  
17 ~~(r)~~ (t) Section 32-2108.01.  
18 ~~(s)~~ (u) Section 32-2123.  
19 ~~(t)~~ (v) Section 32-2371.  
20 ~~(u) — Section 32-2372.~~  
21 ~~(v)~~ (w) Section 32-3620.  
22 ~~(w)~~ (x) Section 32-3668.  
23 ~~(x)~~ (y) Section 32-3669.  
24 ~~(y)~~ (z) Section 36-207.  
25 ~~(z)~~ (aa) Section 36-411.  
26 ~~(aa)~~ (bb) Section 36-425.03.  
27 ~~(bb)~~ (cc) Section 36-446.04.  
28 ~~(cc)~~ (dd) Section 36-594.01.  
29 ~~(dd)~~ (ee) Section 36-594.02.  
30 ~~(ee)~~ (ff) Section 36-882.  
31 ~~(ff)~~ (gg) Section 36-883.02.  
32 ~~(gg)~~ (hh) Section 36-897.01.  
33 ~~(hh)~~ (ii) Section 36-897.03.  
34 ~~(ii)~~ (jj) Section 36-3008.  
35 ~~(jj)~~ (kk) Section 41-619.53.  
36 ~~(kk)~~ (ll) Section 41-1964.  
37 ~~(ll)~~ (mm) Section 41-1967.01.  
38 ~~(mm)~~ (nn) Section 41-1968.  
39 ~~(nn)~~ (oo) Section 41-1969.  
40 ~~(oo)~~ (pp) Section 41-2814.  
41 ~~(pp)~~ (qq) Section 46-141, subsection A.  
42 ~~(qq)~~ (rr) Section 46-321.

1           Sec. 25. Section 41-1758, Arizona Revised Statutes, is amended to  
2 read:

3           41-1758. Definitions

4           In this article, unless the context otherwise requires:

5           1. "Agency" means the supreme court, the department of economic  
6 security, the department of child safety, the department of education, the  
7 department of health services, the department of juvenile corrections, the  
8 department of emergency and military affairs, the department of  
9 transportation, the state real estate department, the ~~state board of~~  
10 ~~appraisal~~ DEPARTMENT OF FINANCIAL INSTITUTIONS, the board of fingerprinting,  
11 the Arizona game and fish department, ~~or~~ the board of examiners of nursing  
12 care institution administrators and assisted living facility managers OR THE  
13 STATE BOARD OF DENTAL EXAMINERS.

14           2. "Division" means the fingerprinting division in the department of  
15 public safety.

16           3. "Electronic or internet-based fingerprinting services" means a  
17 secure system for digitizing applicant fingerprints and transmitting the  
18 applicant data and fingerprints of a person or entity submitting fingerprints  
19 to the department of public safety for any authorized purpose under this  
20 title. For the purposes of this paragraph, "secure system" means a system  
21 that complies with the information technology security policy approved by the  
22 department of public safety.

23           4. "Good cause exception" means the issuance of a fingerprint  
24 clearance card to an applicant pursuant to section 41-619.55.

25           5. "Person" means a person who is required to be fingerprinted  
26 pursuant to any of the following:

- 27           (a) Section 8-105.
- 28           (b) Section 8-322.
- 29           (c) Section 8-463.
- 30           (d) Section 8-509.
- 31           (e) Section 8-802.
- 32           (f) Section 15-183.
- 33           (g) Section 15-503.
- 34           (h) Section 15-512.
- 35           (i) Section 15-534.
- 36           (j) Section 15-763.01.
- 37           (k) Section 15-782.02.
- 38           (l) Section 15-1330.
- 39           (m) Section 15-1881.
- 40           (n) Section 17-215.
- 41           (o) Section 28-3413.
- 42           (p) Section 32-1232.
- 43           (q) SECTION 32-1284.
- 44           (r) SECTION 32-1297.01.
- 45           ~~(q)~~ (s) Section 32-2108.01.

1       ~~(r)~~ (t) Section 32-2123.  
2       ~~(s)~~ (u) Section 32-2371.  
3       ~~(t)~~ ~~Section 32-2372.~~  
4       ~~(u)~~ (v) Section 32-3620.  
5       ~~(v)~~ (w) Section 32-3668.  
6       ~~(w)~~ (x) Section 32-3669.  
7       ~~(x)~~ (y) Section 36-207.  
8       ~~(y)~~ (z) Section 36-411.  
9       ~~(z)~~ (aa) Section 36-425.03.  
10       ~~(aa)~~ (bb) Section 36-446.04.  
11       ~~(bb)~~ (cc) Section 36-594.01.  
12       ~~(cc)~~ (dd) Section 36-594.02.  
13       ~~(dd)~~ (ee) Section 36-882.  
14       ~~(ee)~~ (ff) Section 36-883.02.  
15       ~~(ff)~~ (gg) Section 36-897.01.  
16       ~~(gg)~~ (hh) Section 36-897.03.  
17       ~~(hh)~~ (ii) Section 36-3008.  
18       ~~(ii)~~ (jj) Section 41-619.52.  
19       ~~(jj)~~ (kk) Section 41-619.53.  
20       ~~(kk)~~ (ll) Section 41-1964.  
21       ~~(ll)~~ (mm) Section 41-1967.01.  
22       ~~(mm)~~ (nn) Section 41-1968.  
23       ~~(nn)~~ (oo) Section 41-1969.  
24       ~~(oo)~~ (pp) Section 41-2814.  
25       ~~(pp)~~ (qq) Section 46-141, subsection A.  
26       ~~(qq)~~ (rr) Section 46-321.  
27       6. "Vulnerable adult" has the same meaning prescribed in section  
28       13-3623.  
29       Sec. 26. Section 41-1758.01, Arizona Revised Statutes, is amended to  
30       read:  
31       41-1758.01. Fingerprinting division: powers and duties  
32       A. The fingerprinting division is established in the department of  
33       public safety and shall:  
34       1. Conduct fingerprint background checks for persons and applicants  
35       who are seeking licenses from state agencies, employment with licensees,  
36       contract providers and state agencies or employment or educational  
37       opportunities with agencies that require fingerprint background checks  
38       pursuant to sections 8-105, 8-322, 8-463, 8-509, 8-802, 15-183, 15-503,  
39       15-512, 15-534, 15-763.01, 15-782.02, 15-1330, 15-1881, 17-215, 28-3413,  
40       32-1232, 32-1284, 32-1297.01, 32-2108.01, 32-2123, 32-2371, ~~32-2372~~, 32-3620,  
41       32-3668, 32-3669, 36-207, 36-411, 36-425.03, 36-446.04, 36-594.01, 36-594.02,  
42       36-882, 36-883.02, 36-897.01, 36-897.03, 36-3008, 41-619.52, 41-619.53,  
43       41-1964, 41-1967.01, 41-1968, 41-1969 and 41-2814, section 46-141, subsection  
44       A and section 46-321.



1           2. Issue fingerprint clearance cards. On issuance, a fingerprint  
2 clearance card becomes the personal property of the cardholder and the  
3 cardholder shall retain possession of the fingerprint clearance card.

4           3. On submission of an application for a fingerprint clearance card,  
5 collect the fees established by the board of fingerprinting pursuant to  
6 section 41-619.53 and deposit, pursuant to sections 35-146 and 35-147, the  
7 monies collected in the board of fingerprinting fund.

8           4. Inform in writing each person who submits fingerprints for a  
9 fingerprint background check of the right to petition the board of  
10 fingerprinting for a good cause exception pursuant to section 41-1758.03,  
11 41-1758.04 or 41-1758.07.

12           5. If after conducting a state and federal criminal history records  
13 check the division determines that it is not authorized to issue a  
14 fingerprint clearance card to a person, inform the person in writing that the  
15 division is not authorized to issue a fingerprint clearance card. The notice  
16 shall include the criminal history information on which the denial was  
17 based. This criminal history information is subject to dissemination  
18 restrictions pursuant to section 41-1750 and Public Law 92-544.

19           6. Notify the person in writing if the division suspends, revokes or  
20 places a driving restriction notation on a fingerprint clearance card  
21 pursuant to section 41-1758.04. The notice shall include the criminal  
22 history information on which the suspension, revocation or placement of the  
23 driving restriction notation was based. This criminal history information is  
24 subject to dissemination restrictions pursuant to section 41-1750 and Public  
25 Law 92-544.

26           7. Administer and enforce this article.

27           B. The fingerprinting division may contract for electronic or  
28 internet-based fingerprinting services through an entity or entities for the  
29 acquisition and transmission of applicant fingerprint and data submissions to  
30 the department, including identity verified fingerprints pursuant to section  
31 15-106. The entity or entities contracted by the department of public safety  
32 may charge the applicant a fee for services provided pursuant to this  
33 article. The entity or entities contracted by the department of public  
34 safety shall comply with:

35           1. All information privacy and security measures and submission  
36 standards established by the department of public safety.

37           2. The information technology security policy approved by the  
38 department of public safety.

39           Sec. 27. Section 41-2571, Arizona Revised Statutes, is amended to  
40 read:

41           41-2571. Definitions

42           In this article, unless the context otherwise requires:

43           1. "Architect services", "engineer services", "land surveying  
44 services", ~~"assayer services"~~, "geologist services" and "landscape architect

1 services" ~~means~~ MEAN those professional services within the scope of the  
2 practice of those services as provided in title 32, chapter 1, article 1.

3 2. "Cost" means the aggregate cost of all materials and services,  
4 including labor performed by force account.

5 3. "Design professional service contract" means a written agreement  
6 relating to the planning, design, construction administration, study,  
7 evaluation, consulting, inspection, surveying, mapping, material sampling,  
8 testing or other professional, scientific or technical services furnished in  
9 connection with any actual or proposed study, planning, survey, environmental  
10 remediation, construction, improvement, alteration, repair, maintenance,  
11 relocation, moving, demolition or excavation of a structure, street or  
12 roadway, appurtenance, facility or development or other improvement to land.

13 4. "Design professional services" means architect services, engineer  
14 services, land surveying services, geologist services or landscape architect  
15 services or any combination of those services performed by or under the  
16 supervision of a design professional or employees or subconsultants of the  
17 design professional.

18 5. "Subconsultant" means any person, firm, partnership, corporation,  
19 association or other organization, or a combination of any of them, that has  
20 a direct contract with a design professional or another subconsultant to  
21 perform a portion of the work under a design professional service contract.

22 Sec. 28. Section 42-5075, Arizona Revised Statutes, is amended to  
23 read:

24 42-5075. Prime contracting classification; exemptions;  
25 definitions

26 A. The prime contracting classification is comprised of the business  
27 of prime contracting and the business of manufactured building dealer. Sales  
28 for resale to another manufactured building dealer are not subject to  
29 tax. Sales for resale do not include sales to a lessor of manufactured  
30 buildings. The sale of a used manufactured building is not taxable under  
31 this chapter.

32 B. The tax base for the prime contracting classification is sixty-five  
33 percent of the gross proceeds of sales or gross income derived from the  
34 business. The following amounts shall be deducted from the gross proceeds of  
35 sales or gross income before computing the tax base:

36 1. The sales price of land, which shall not exceed the fair market  
37 value.

38 2. Sales and installation of groundwater measuring devices required  
39 under section 45-604 and groundwater monitoring wells required by law,  
40 including monitoring wells installed for acquiring information for a permit  
41 required by law.

42 3. The sales price of furniture, furnishings, fixtures, appliances and  
43 attachments that are not incorporated as component parts of or attached to a  
44 manufactured building or the setup site. The sale of such items may be

1 subject to the taxes imposed by article 1 of this chapter separately and  
2 distinctly from the sale of the manufactured building.

3 4. The gross proceeds of sales or gross income received from a  
4 contract entered into for the modification of any building, highway, road,  
5 railroad, excavation, manufactured building or other structure, project,  
6 development or improvement located in a military reuse zone for providing  
7 aviation or aerospace services or for a manufacturer, assembler or fabricator  
8 of aviation or aerospace products within an active military reuse zone after  
9 the zone is initially established or renewed under section 41-1531. To be  
10 eligible to qualify for this deduction, before beginning work under the  
11 contract, the prime contractor must have applied for a letter of  
12 qualification from the department of revenue.

13 5. The gross proceeds of sales or gross income derived from a contract  
14 to construct a qualified environmental technology manufacturing, producing or  
15 processing facility, as described in section 41-1514.02, and from subsequent  
16 construction and installation contracts that begin within ten years after the  
17 start of initial construction. To qualify for this deduction, before  
18 beginning work under the contract, the prime contractor must obtain a letter  
19 of qualification from the department of revenue. This paragraph shall apply  
20 for ten full consecutive calendar or fiscal years after the start of initial  
21 construction.

22 6. The gross proceeds of sales or gross income from a contract to  
23 provide for one or more of the following actions, or a contract for site  
24 preparation, constructing, furnishing or installing machinery, equipment or  
25 other tangible personal property, including structures necessary to protect  
26 exempt incorporated materials or installed machinery or equipment, and  
27 tangible personal property incorporated into the project, to perform one or  
28 more of the following actions in response to a release or suspected release  
29 of a hazardous substance, pollutant or contaminant from a facility to the  
30 environment, unless the release was authorized by a permit issued by a  
31 governmental authority:

32 (a) Actions to monitor, assess and evaluate such a release or a  
33 suspected release.

34 (b) Excavation, removal and transportation of contaminated soil and  
35 its treatment or disposal.

36 (c) Treatment of contaminated soil by vapor extraction, chemical or  
37 physical stabilization, soil washing or biological treatment to reduce the  
38 concentration, toxicity or mobility of a contaminant.

39 (d) Pumping and treatment or in situ treatment of contaminated  
40 groundwater or surface water to reduce the concentration or toxicity of a  
41 contaminant.

42 (e) The installation of structures, such as cutoff walls or caps, to  
43 contain contaminants present in groundwater or soil and prevent them from  
44 reaching a location where they could threaten human health or welfare or the  
45 environment.

1 This paragraph does not include asbestos removal or the construction or use  
2 of ancillary structures such as maintenance sheds, offices or storage  
3 facilities for unattached equipment, pollution control equipment, facilities  
4 or other control items required or to be used by a person to prevent or  
5 control contamination before it reaches the environment.

6 7. The gross proceeds of sales or gross income that is derived from a  
7 contract for the installation, assembly, repair or maintenance of machinery,  
8 equipment or other tangible personal property that is either deducted from  
9 the tax base of the retail classification under section 42-5061, subsection B  
10 or that is exempt from use tax under section 42-5159, subsection B and that  
11 has independent functional utility, pursuant to the following provisions:

12 (a) The deduction provided in this paragraph includes the gross  
13 proceeds of sales or gross income derived from all of the following:

14 (i) Any activity performed on machinery, equipment or other tangible  
15 personal property with independent functional utility.

16 (ii) Any activity performed on any tangible personal property relating  
17 to machinery, equipment or other tangible personal property with independent  
18 functional utility in furtherance of any of the purposes provided for under  
19 subdivision (d) of this paragraph.

20 (iii) Any activity that is related to the activities described in  
21 items (i) and (ii) of this subdivision, including inspecting the installation  
22 of or testing the machinery, equipment or other tangible personal property.

23 (b) The deduction provided in this paragraph does not include gross  
24 proceeds of sales or gross income from the portion of any contracting  
25 activity that consists of the development of, or modification to, real  
26 property in order to facilitate the installation, assembly, repair,  
27 maintenance or removal of machinery, equipment or other tangible personal  
28 property that is either deducted from the tax base of the retail  
29 classification under section 42-5061, subsection B or exempt from use tax  
30 under section 42-5159, subsection B.

31 (c) The deduction provided in this paragraph shall be determined  
32 without regard to the size or useful life of the machinery, equipment or  
33 other tangible personal property.

34 (d) For the purposes of this paragraph, "independent functional  
35 utility" means that the machinery, equipment or other tangible personal  
36 property can independently perform its function without attachment to real  
37 property, other than attachment for any of the following purposes:

38 (i) Assembling the machinery, equipment or other tangible personal  
39 property.

40 (ii) Connecting items of machinery, equipment or other tangible  
41 personal property to each other.

42 (iii) Connecting the machinery, equipment or other tangible personal  
43 property, whether as an individual item or as a system of items, to water,  
44 power, gas, communication or other services.

1 (iv) Stabilizing or protecting the machinery, equipment or other  
2 tangible personal property during operation by bolting, burying or performing  
3 other similar nonpermanent connections to either real property or real  
4 property improvements.

5 8. The gross proceeds of sales or gross income attributable to the  
6 purchase of machinery, equipment or other tangible personal property that is  
7 exempt from or deductible from transaction privilege and use tax under:

8 (a) Section 42-5061, subsection A, paragraph 25, 29, 57 or 59.

9 (b) Section 42-5061, subsection B.

10 (c) Section 42-5159, subsection A, paragraph 13, subdivision (a), (b),  
11 (c), (d), (e), (f), (j), (k), (m) or (n) or paragraph 54 or 56.

12 (d) Section 42-5159, subsection B.

13 9. The gross proceeds of sales or gross income received from a  
14 contract for the construction of an environmentally controlled facility for  
15 the raising of poultry for the production of eggs and the sorting, cooling  
16 and packaging of eggs.

17 10. The gross proceeds of sales or gross income that is derived from a  
18 contract entered into with a person who is engaged in the commercial  
19 production of livestock, livestock products or agricultural, horticultural,  
20 viticultural or floricultural crops or products in this state for the  
21 modification of any building, highway, road, excavation, manufactured  
22 building or other structure, project, development or improvement used  
23 directly and primarily to prevent, monitor, control or reduce air, water or  
24 land pollution.

25 11. The gross proceeds of sales or gross income that is derived from  
26 the installation, assembly, repair or maintenance of clean rooms that are  
27 deducted from the tax base of the retail classification pursuant to section  
28 42-5061, subsection B, paragraph 16.

29 12. For taxable periods beginning from and after June 30, 2001, the  
30 gross proceeds of sales or gross income derived from a contract entered into  
31 for the construction of a residential apartment housing facility that  
32 qualifies for a federal housing subsidy for low income persons over sixty-two  
33 years of age and that is owned by a nonprofit charitable organization that  
34 has qualified under section 501(c)(3) of the internal revenue code.

35 13. For taxable periods beginning from and after December 31, 1996 and  
36 ending before January 1, 2017, the gross proceeds of sales or gross income  
37 derived from a contract to provide and install a solar energy device. The  
38 contractor shall register with the department as a solar energy contractor.  
39 By registering, the contractor acknowledges that it will make its books and  
40 records relating to sales of solar energy devices available to the department  
41 for examination.

42 14. The gross proceeds of sales or gross income derived from a  
43 contract entered into for the construction of a launch site, as defined in 14  
44 Code of Federal Regulations section 401.5.

1           15. The gross proceeds of sales or gross income derived from a  
2 contract entered into for the construction of a domestic violence shelter  
3 that is owned and operated by a nonprofit charitable organization that has  
4 qualified under section 501(c)(3) of the internal revenue code.

5           16. The gross proceeds of sales or gross income derived from contracts  
6 to perform postconstruction treatment of real property for termite and  
7 general pest control, including wood destroying organisms.

8           17. The gross proceeds of sales or gross income received from  
9 contracts entered into before July 1, 2006 for constructing a state  
10 university research infrastructure project if the project has been reviewed  
11 by the joint committee on capital review before the university enters into  
12 the construction contract for the project. For the purposes of this  
13 paragraph, "research infrastructure" has the same meaning prescribed in  
14 section 15-1670.

15           18. The gross proceeds of sales or gross income received from a  
16 contract for the construction of any building, or other structure, project,  
17 development or improvement owned by a qualified business under section  
18 41-1516 for harvesting or processing qualifying forest products removed from  
19 qualifying projects as defined in section 41-1516 if actual construction  
20 begins before January 1, 2024. To qualify for this deduction, the prime  
21 contractor must obtain a letter of qualification from the Arizona commerce  
22 authority before beginning work under the contract.

23           19. Any amount of the gross proceeds of sales or gross income  
24 attributable to development fees that are incurred in relation to a contract  
25 for construction, development or improvement of real property and that are  
26 paid by a prime contractor or subcontractor. For the purposes of this  
27 paragraph:

28           (a) The attributable amount shall not exceed the value of the  
29 development fees actually imposed.

30           (b) The attributable amount is equal to the total amount of  
31 development fees paid by the prime contractor or subcontractor, and the total  
32 development fees credited in exchange for the construction of, contribution  
33 to or dedication of real property for providing public infrastructure, public  
34 safety or other public services necessary to the development. The real  
35 property must be the subject of the development fees.

36           (c) "Development fees" means fees imposed to offset capital costs of  
37 providing public infrastructure, public safety or other public services to a  
38 development and authorized pursuant to section 9-463.05, section 11-1102 or  
39 title 48 regardless of the jurisdiction to which the fees are paid.

40           20. The gross proceeds of sales or gross income derived from a  
41 contract entered into for the construction of a mixed waste processing  
42 facility that is located on a municipal solid waste landfill and that is  
43 constructed for the purpose of recycling solid waste or producing renewable  
44 energy from landfill waste. For the purposes of this paragraph:

1 (a) "Mixed waste processing facility" means a solid waste facility  
2 that is owned, operated or used for the treatment, processing or disposal of  
3 solid waste, recyclable solid waste, conditionally exempt small quantity  
4 generator waste or household hazardous waste. For the purposes of  
5 this subdivision, "conditionally exempt small quantity generator waste",  
6 "household hazardous waste" and "solid waste facility" have the same meanings  
7 prescribed in section 49-701, except that solid waste facility does include a  
8 site that stores, treats or processes paper, glass, wood, cardboard,  
9 household textiles, scrap metal, plastic, vegetative waste, aluminum, steel  
10 or other recyclable material.

11 (b) "Municipal solid waste landfill" has the same meaning prescribed  
12 in section 49-701.

13 (c) "Recycling" means collecting, separating, cleansing, treating and  
14 reconstituting recyclable solid waste that would otherwise become solid  
15 waste, but does not include incineration or other similar processes.

16 (d) "Renewable energy" has the same meaning prescribed in section  
17 41-1511.

18 C. Entitlement to the deduction pursuant to subsection B, paragraph 7  
19 of this section is subject to the following provisions:

20 1. A prime contractor may establish entitlement to the deduction by  
21 both:

22 (a) Marking the invoice for the transaction to indicate that the gross  
23 proceeds of sales or gross income derived from the transaction was deducted  
24 from the base.

25 (b) Obtaining a certificate executed by the purchaser indicating the  
26 name and address of the purchaser, the precise nature of the business of the  
27 purchaser, the purpose for which the purchase was made, the necessary facts  
28 to establish the deductibility of the property under section 42-5061,  
29 subsection B, and a certification that the person executing the certificate  
30 is authorized to do so on behalf of the purchaser. The certificate may be  
31 disregarded if the prime contractor has reason to believe that the  
32 information contained in the certificate is not accurate or complete.

33 2. A person who does not comply with paragraph 1 of this subsection  
34 may establish entitlement to the deduction by presenting facts necessary to  
35 support the entitlement, but the burden of proof is on that person.

36 3. The department may prescribe a form for the certificate described  
37 in paragraph 1, subdivision (b) of this subsection. The department may also  
38 adopt rules that describe the transactions with respect to which a person is  
39 not entitled to rely solely on the information contained in the certificate  
40 provided in paragraph 1, subdivision (b) of this subsection but must instead  
41 obtain such additional information as required in order to be entitled to the  
42 deduction.

43 4. If a prime contractor is entitled to a deduction by complying with  
44 paragraph 1 of this subsection, the department may require the purchaser who  
45 caused the execution of the certificate to establish the accuracy and

1 completeness of the information required to be contained in the certificate  
 2 that would entitle the prime contractor to the deduction. If the purchaser  
 3 cannot establish the accuracy and completeness of the information, the  
 4 purchaser is liable in an amount equal to any tax, penalty and interest that  
 5 the prime contractor would have been required to pay under article 1 of this  
 6 chapter if the prime contractor had not complied with paragraph 1 of this  
 7 subsection. Payment of the amount under this paragraph exempts the purchaser  
 8 from liability for any tax imposed under article 4 of this chapter. The  
 9 amount shall be treated as a transaction privilege tax to the purchaser and  
 10 as tax revenues collected from the prime contractor in order to designate the  
 11 distribution base for purposes of section 42-5029.

12 D. Subcontractors or others who perform modification activities are  
 13 not subject to tax if they can demonstrate that the job was within the  
 14 control of a prime contractor or contractors or a dealership of manufactured  
 15 buildings and that the prime contractor or dealership is liable for the tax  
 16 on the gross income, gross proceeds of sales or gross receipts attributable  
 17 to the job and from which the subcontractors or others were paid.

18 E. Amounts received by a contractor for a project are excluded from  
 19 the contractor's gross proceeds of sales or gross income derived from the  
 20 business if the person who hired the contractor executes and provides a  
 21 certificate to the contractor stating that the person providing the  
 22 certificate is a prime contractor and is liable for the tax under article 1  
 23 of this chapter. The department shall prescribe the form of the certificate.  
 24 If the contractor has reason to believe that the information contained on the  
 25 certificate is erroneous or incomplete, the department may disregard the  
 26 certificate. If the person who provides the certificate is not liable for  
 27 the tax as a prime contractor, that person is nevertheless deemed to be the  
 28 prime contractor in lieu of the contractor and is subject to the tax under  
 29 this section on the gross receipts or gross proceeds received by the  
 30 contractor.

31 F. Every person engaging or continuing in this state in the business  
 32 of prime contracting or dealership of manufactured buildings shall present to  
 33 the purchaser of such prime contracting or manufactured building a written  
 34 receipt of the gross income or gross proceeds of sales from such activity and  
 35 shall separately state the taxes to be paid pursuant to this section.

36 G. For the purposes of section 42-5032.01, the department shall  
 37 separately account for revenues collected under the prime contracting  
 38 classification from any prime contractor engaged in the preparation or  
 39 construction of a multipurpose facility, and related infrastructure, that is  
 40 owned, operated or leased by the tourism and sports authority pursuant to  
 41 title 5, chapter 8.

42 H. For the purposes of section 42-5032.02, from and after  
 43 September 30, 2013, the department shall separately account for revenues  
 44 reported and collected under the prime contracting classification from any  
 45 prime contractor engaged in the construction of any buildings and associated



1 improvements that are for the benefit of a manufacturing facility. For the  
2 purposes of this subsection, "associated improvements" and "manufacturing  
3 facility" have the same meanings prescribed in section 42-5032.02.

4 I. The gross proceeds of sales or gross income derived from a contract  
5 for lawn maintenance services are not subject to tax under this section if  
6 the contract does not include landscaping activities. Lawn maintenance  
7 service is a service pursuant to section 42-5061, subsection A, paragraph 1,  
8 and includes lawn mowing and edging, weeding, repairing sprinkler heads or  
9 drip irrigation heads, seasonal replacement of flowers, refreshing gravel,  
10 lawn de-thatching, seeding winter lawns, leaf and debris collection and  
11 removal, tree or shrub pruning or clipping, garden and gravel raking and  
12 applying pesticides, as defined in section 3-361, and fertilizer materials,  
13 as defined in section 3-262.

14 J. Except as provided in subsection 0 of this section, the gross  
15 proceeds of sales or gross income derived from landscaping activities are  
16 subject to tax under this section. Landscaping includes installing lawns,  
17 grading or leveling ground, installing gravel or boulders, planting trees and  
18 other plants, felling trees, removing or mulching tree stumps, removing other  
19 imbedded plants, building irrigation berms, installing railroad ties and  
20 installing underground sprinkler or watering systems.

21 K. The portion of gross proceeds of sales or gross income attributable  
22 to the actual direct costs of providing architectural or engineering services  
23 that are incorporated in a contract is not subject to tax under this section.  
24 For the purposes of this subsection, "direct costs" means the portion of the  
25 actual costs that are directly expended in providing architectural or  
26 engineering services.

27 L. Operating a landfill or a solid waste disposal facility is not  
28 subject to taxation under this section, including filling, compacting and  
29 creating vehicle access to and from cell sites within the landfill.  
30 Constructing roads to a landfill or solid waste disposal facility and  
31 constructing cells within a landfill or solid waste disposal facility may be  
32 deemed prime contracting under this section.

33 M. The following apply in determining the taxable situs of sales of  
34 manufactured buildings:

35 1. For sales in this state where the manufactured building dealer  
36 contracts to deliver the building to a setup site or to perform the setup in  
37 this state, the taxable situs is the setup site.

38 2. For sales in this state where the manufactured building dealer does  
39 not contract to deliver the building to a setup site or does not perform the  
40 setup, the taxable situs is the location of the dealership where the building  
41 is delivered to the buyer.

42 3. For sales in this state where the manufactured building dealer  
43 contracts to deliver the building to a setup site that is outside this state,  
44 the situs is outside this state and the transaction is excluded from tax.

1           N. The gross proceeds of sales or gross income attributable to a  
2 written contract for design phase services or professional services, executed  
3 before modification begins and with terms, conditions and pricing of all of  
4 these services separately stated in the contract from those for construction  
5 phase services, is not subject to tax under this section, regardless of  
6 whether the services are provided sequential to or concurrent with prime  
7 contracting activities that are subject to tax under this section. This  
8 subsection does not include the gross proceeds of sales or gross income  
9 attributable to construction phase services. For the purposes of this  
10 subsection:

11           1. "Construction phase services" means services for the execution and  
12 completion of any modification, including the following:

13           (a) Administration or supervision of any modification performed on the  
14 project, including team management and coordination, scheduling, cost  
15 controls, submittal process management, field management, safety program,  
16 close-out process and warranty period services.

17           (b) Administration or supervision of any modification performed  
18 pursuant to a punch list. For the purposes of this subdivision, "punch list"  
19 means minor items of modification work performed after substantial completion  
20 and before final completion of the project.

21           (c) Administration or supervision of any modification performed  
22 pursuant to change orders. For the purposes of this subdivision, "change  
23 order" means a written instrument issued after execution of a contract for  
24 modification work, providing for all of the following:

25           (i) The scope of a change in the modification work, contract for  
26 modification work or other contract documents.

27           (ii) The amount of an adjustment, if any, to the guaranteed maximum  
28 price as set in the contract for modification work. For the purposes of this  
29 item, "guaranteed maximum price" means the amount guaranteed to be the  
30 maximum amount due to a prime contractor for the performance of all  
31 modification work for the project.

32           (iii) The extent of an adjustment, if any, to the contract time of  
33 performance set forth in the contract.

34           (d) Administration or supervision of any modification performed  
35 pursuant to change directives. For the purposes of this subdivision, "change  
36 directive" means a written order directing a change in modification work  
37 before agreement on an adjustment of the guaranteed maximum price or contract  
38 time.

39           (e) Inspection to determine the dates of substantial completion or  
40 final completion.

41           (f) Preparation of any manuals, warranties, as-built drawings, spares  
42 or other items the prime contractor must furnish pursuant to the contract for  
43 modification work. For the purposes of this subdivision, "as-built drawing"  
44 means a drawing that indicates field changes made to adapt to field

1 conditions, field changes resulting from change orders or buried and  
2 concealed installation of piping, conduit and utility services.

3 (g) Preparation of status reports after modification work has begun  
4 detailing the progress of work performed, including preparation of any of the  
5 following:

6 (i) Master schedule updates.

7 (ii) Modification work cash flow projection updates.

8 (iii) Site reports made on a periodic basis.

9 (iv) Identification of discrepancies, conflicts or ambiguities in  
10 modification work documents that require resolution.

11 (v) Identification of any health and safety issues that have arisen in  
12 connection with the modification work.

13 (h) Preparation of daily logs of modification work, including  
14 documentation of personnel, weather conditions and on-site occurrences.

15 (i) Preparation of any submittals or shop drawings used by the prime  
16 contractor to illustrate details of the modification work performed.

17 (j) Administration or supervision of any other activities for which a  
18 prime contractor receives a certificate for payment or certificate for final  
19 payment based on the progress of modification work performed on the project.

20 2. "Design phase services" means services for developing and  
21 completing a design for a project that are not construction phase services,  
22 including the following:

23 (a) Evaluating surveys, reports, test results or any other information  
24 on-site conditions for the project, including physical characteristics, legal  
25 limitations and utility locations for the site.

26 (b) Evaluating any criteria or programming objectives for the project  
27 to ascertain requirements for the project, such as physical requirements  
28 affecting cost or projected utilization of the project.

29 (c) Preparing drawings and specifications for architectural program  
30 documents, schematic design documents, design development documents,  
31 modification work documents or documents that identify the scope of or  
32 materials for the project.

33 (d) Preparing an initial schedule for the project, excluding the  
34 preparation of updates to the master schedule after modification work has  
35 begun.

36 (e) Preparing preliminary estimates of costs of modification work  
37 before completion of the final design of the project, including an estimate  
38 or schedule of values for any of the following:

39 (i) Labor, materials, machinery and equipment, tools, water, heat,  
40 utilities, transportation and other facilities and services used in the  
41 execution and completion of modification work, regardless of whether they are  
42 temporary or permanent or whether they are incorporated in the modifications.

43 (ii) The cost of labor and materials to be furnished by the owner of  
44 the real property.

1 (iii) The cost of any equipment of the owner of the real property to  
2 be assigned by the owner to the prime contractor.

3 (iv) The cost of any labor for installation of equipment separately  
4 provided by the owner of the real property that has been designed, specified,  
5 selected or specifically provided for in any design document for the project.

6 (v) Any fee paid by the owner of the real property to the prime  
7 contractor pursuant to the contract for modification work.

8 (vi) Any bond and insurance premiums.

9 (vii) Any applicable taxes.

10 (viii) Any contingency fees for the prime contractor that may be used  
11 before final completion of the project.

12 (f) Reviewing and evaluating cost estimates and project documents to  
13 prepare recommendations on site use, site improvements, selection of  
14 materials, building systems and equipment, modification feasibility,  
15 availability of materials and labor, local modification activity as related  
16 to schedules and time requirements for modification work.

17 (g) Preparing the plan and procedures for selection of subcontractors,  
18 including any prequalification of subcontractor candidates.

19 3. "Professional services" means architect services, ~~assayer services,~~  
20 engineer services, geologist services, land surveying services or landscape  
21 architect services that are within the scope of those services as provided in  
22 title 32, chapter 1 and for which gross proceeds of sales or gross income has  
23 not otherwise been deducted under subsection K of this section.

24 0. The gross proceeds of sales or gross income derived from a contract  
25 with the owner of real property or improvements to real property for the  
26 maintenance, repair, replacement or alteration of existing property is not  
27 subject to tax under this section if the contract does not include  
28 modification activities, except as specified in this subsection. The gross  
29 proceeds of sales or gross income derived from a de minimis amount of  
30 modification activity does not subject the contract or any part of the  
31 contract to tax under this section. For the purposes of this subsection:

32 1. Tangible personal property that is incorporated or fabricated into  
33 a project described in this subsection may be subject to the amount  
34 prescribed in section 42-5008.01.

35 2. Each contract is independent of any other contract, except that any  
36 change order that directly relates to the scope of work of the original  
37 contract shall be treated the same as the original contract under this  
38 chapter, regardless of the amount of modification activities included in the  
39 change order. If a change order does not directly relate to the scope of  
40 work of the original contract, the change order shall be treated as a new  
41 contract, with the tax treatment of any subsequent change order to follow the  
42 tax treatment of the contract to which the scope of work of the subsequent  
43 change order directly relates.

44 P. Notwithstanding subsection 0 of this section, a contract that  
45 primarily involves surface or subsurface improvements to land and that is

1 subject to title 28, chapter 19, 20 or 22 or title 34, chapter 2 or 6 is  
2 taxable under this section, even if the contract also includes vertical  
3 improvements. Agencies that are subject to procurement processes under those  
4 provisions shall include in the request for proposals a notice to bidders  
5 when those projects are subject to this section. This subsection does not  
6 apply to contracts with:

7 1. Community facilities districts, fire districts, county television  
8 improvement districts, community park maintenance districts, cotton pest  
9 control districts, hospital districts, pest abatement districts, health  
10 service districts, agricultural improvement districts, county free library  
11 districts, county jail districts, county stadium districts, special health  
12 care districts, public health services districts, theme park districts,  
13 regional attraction districts or revitalization districts.

14 2. Any special taxing district not specified in paragraph 1 of this  
15 subsection if the district does not substantially engage in the modification,  
16 maintenance, repair, replacement or alteration of surface or subsurface  
17 improvements to land.

18 Q. Notwithstanding subsection R, paragraph 10 of this section, a  
19 person owning real property who enters into a contract for sale of the real  
20 property, who is responsible to the new owner of the property for  
21 modifications made to the property in the period subsequent to the transfer  
22 of title and who receives a consideration for the modifications is considered  
23 a prime contractor solely for purposes of taxing the gross proceeds of sale  
24 or gross income received for the modifications made subsequent to the  
25 transfer of title. The original owner's gross proceeds of sale or gross  
26 income received for the modifications shall be determined according to the  
27 following methodology:

28 1. If any part of the contract for sale of the property specifies  
29 amounts to be paid to the original owner for the modifications to be made in  
30 the period subsequent to the transfer of title, the amounts are included in  
31 the original owner's gross proceeds of sale or gross income under this  
32 section. Proceeds from the sale of the property that are received after  
33 transfer of title and that are unrelated to the modifications made subsequent  
34 to the transfer of title are not considered gross proceeds of sale or gross  
35 income from the modifications.

36 2. If the original owner enters into an agreement separate from the  
37 contract for sale of the real property providing for amounts to be paid to  
38 the original owner for the modifications to be made in the period subsequent  
39 to the transfer of title to the property, the amounts are included in the  
40 original owner's gross proceeds of sale or gross income received for the  
41 modifications made subsequent to the transfer of title.

42 3. If the original owner is responsible to the new owner for  
43 modifications made to the property in the period subsequent to the transfer  
44 of title and derives any gross proceeds of sale or gross income from the  
45 project subsequent to the transfer of title other than a delayed disbursement

1 from escrow unrelated to the modifications, it is presumed that the amounts  
2 are received for the modifications made subsequent to the transfer of title  
3 unless the contrary is established by the owner through its books, records  
4 and papers kept in the regular course of business.

5 4. The tax base of the original owner is computed in the same manner  
6 as a prime contractor under this section.

7 R. For the purposes of this section:

8 1. "Alteration" means an activity or action that causes a direct  
9 physical change to existing property. For the purposes of this paragraph:

10 (a) For existing property that is properly classified as class two  
11 property under section 42-12002, paragraph 1, subdivision (c) or paragraph 2,  
12 subdivision (c) and that is used for residential purposes, class three  
13 property under section 42-12003 or class four property under 42-12004, this  
14 paragraph does not apply if the contract amount is more than twenty-five  
15 percent of the most recent full cash value established under chapter 13,  
16 article 2 of this title as of the date of any bid for the work or the date of  
17 the contract, whichever value is higher.

18 (b) For all existing property other than existing property described  
19 in subdivision (a) of this paragraph, this paragraph does not apply if any of  
20 the following is true:

21 (i) The contract amount is more than seven hundred fifty thousand  
22 dollars.

23 (ii) The scope of work directly relates to more than forty percent of  
24 the existing square footage of the existing property.

25 (iii) The scope of work involves expanding the square footage of more  
26 than ten percent of the existing property.

27 (c) Project elements may not be artificially separated from a contract  
28 to cause a project to qualify as an alteration. The department has the  
29 burden of proof that project elements have been artificially separated from a  
30 contract.

31 (d) If a project for which the owner and the person performing the  
32 work reasonably believed, at the inception of the contract, would be treated  
33 as an alteration under this paragraph and, on completion of the project, the  
34 project exceeded the applicable threshold described in either subdivision (a)  
35 or (b) of this paragraph by no more than twenty-five percent of the  
36 applicable threshold for any reason, the work performed under the contract  
37 qualifies as an alteration.

38 (e) A change order that directly relates to the scope of work of the  
39 original contract shall be treated as part of the original contract, and the  
40 contract amount shall include any amount attributable to a change order that  
41 directly relates to the scope of work of the original contract.

42 (f) Alteration does not include maintenance, repair or replacement.

43 2. "Contracting" means engaging in business as a contractor.

44 3. "Contractor" is synonymous with the term "builder" and means any  
45 person or organization that undertakes to or offers to undertake to, or

1 purports to have the capacity to undertake to, or submits a bid to, or does  
2 personally or by or through others, modify any building, highway, road,  
3 railroad, excavation, manufactured building or other structure, project,  
4 development or improvement, or to do any part of such a project, including  
5 the erection of scaffolding or other structure or works in connection with  
6 such a project, and includes subcontractors and specialty contractors. For  
7 all purposes of taxation or deduction, this definition shall govern without  
8 regard to whether or not such contractor is acting in fulfillment of a  
9 contract.

10 4. "Manufactured building" means a manufactured home, mobile home or  
11 factory-built building, as defined in section 41-2142.

12 5. "Manufactured building dealer" means a dealer who either:

13 (a) Is licensed pursuant to title 41, chapter 16 and who sells  
14 manufactured buildings to the final consumer.

15 (b) Supervises, performs or coordinates the excavation and completion  
16 of site improvements or the setup or moving of a manufactured building,  
17 including the contracting, if any, with any subcontractor or specialty  
18 contractor for the completion of the contract.

19 6. "Modification" means construction, grading and leveling ground,  
20 wreckage or demolition. Modification does not include:

21 (a) Any project described in subsection 0 of this section.

22 (b) Any wreckage or demolition of existing property, or any other  
23 activity that is a necessary component of a project described in subsection 0  
24 of this section.

25 (c) Any mobilization or demobilization related to a project described  
26 in subsection 0 of this section, such as the erection or removal of temporary  
27 facilities to be used by those persons working on the project.

28 7. "Modify" means to make a modification or cause a modification to be  
29 made.

30 8. "Owner" means the person that holds title to the real property or  
31 improvements to real property that is the subject of the work, as well as an  
32 agent of the title holder and any person with the authority to perform or  
33 authorize work on the real property or improvements, including a tenant and a  
34 property manager. For the purposes of subsection 0 of this section, a person  
35 who is hired by a general contractor that is hired by an owner, or a  
36 subcontractor of a general contractor that is hired by an owner, is  
37 considered to be hired by the owner.

38 9. "Prime contracting" means engaging in business as a prime  
39 contractor.

40 10. "Prime contractor" means a contractor who supervises, performs or  
41 coordinates the modification of any building, highway, road, railroad,  
42 excavation, manufactured building or other structure, project, development or  
43 improvement, including the contracting, if any, with any subcontractors or  
44 specialty contractors and who is responsible for the completion of the  
45 contract. Except as provided in subsections E and Q of this section, a

1 person who owns real property, who engages one or more contractors to modify  
2 that real property and who does not itself modify that real property is not a  
3 prime contractor within the meaning of this paragraph regardless of the  
4 existence of a contract for sale or the subsequent sale of that real  
5 property.

6 11. "Replacement" means the removal from service of one component or  
7 system of existing property or tangible personal property installed in  
8 existing property, including machinery or equipment, and the installation of  
9 a new component or system or new tangible personal property, including  
10 machinery or equipment, that provides the same similar or upgraded design or  
11 functionality, regardless of the contract amount and regardless of whether  
12 the existing component or system or existing tangible personal property is  
13 physically removed from the existing property.

14 12. "Sale of a used manufactured building" does not include a lease of  
15 a used manufactured building.

16 Sec. 29. Department of administration; transfer of nonhealth  
17 regulatory boards and occupational licenses; study;  
18 report

19 A. The department of administration shall conduct a study relating to  
20 the transfer of all nonhealth regulatory boards and occupational licenses  
21 issued by state agencies to a new licensing and regulatory division in the  
22 department of administration. The study shall include the costs and benefits  
23 associated with the transfer. The department may consult with any board,  
24 agency or industry group necessary to complete the study.

25 B. The department of administration shall submit a report of its  
26 findings and recommendations to the governor, the president of the senate and  
27 the speaker of the house of representatives on or before October 1, 2016 and  
28 shall provide a copy of this report to the secretary of state.

29 Sec. 30. Retention of members

30 Notwithstanding section 32-102, Arizona Revised Statutes, as amended by  
31 this act, all persons serving as members of the state board of technical  
32 registration on the effective date of this act may continue to serve until  
33 the expiration of their normal terms. The governor shall make all subsequent  
34 appointments as prescribed by statute.

35 Sec. 31. Effective date

36 Section 32-3021, Arizona Revised Statutes, as amended by Laws 2015,  
37 chapter 262, section 20 and this act, is effective from and after June 30,  
38 2016.